



MANUFACTURED HOMEOWNERS POLICY TEXAS

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**MAISON INSURANCE COMPANY
 MANUFACTURED HOMEOWNERS POLICY - TEXAS
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MANUFACTURED HOMEOWNERS POLICY – TEXAS

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

In consideration of payment of the premium shown on the Declarations Page and subject to all conditions and provisions of this policy, Maison Insurance Company, herein called the Company, agrees to provide insurance protection for such property and against such perils as are indicated on the Declarations Page by the insertion of a premium amount or by the word “included” or its abbreviation in the space opposite such property or perils.

This policy, the Declarations Page and endorsements, if any, complete this policy.

Where stated, we, us and our means the insurance company named on the Declarations Page.

You, your, and yours means the person, persons or organization named on the Declaration Page. You, your, and yours also means any family member of the person or persons named on the Declarations Page.

With respect to animals or watercraft to which this policy applies, you also means any person or organization legally responsible for these animals or watercraft that are owned by any of you. But you does not mean a person or organization using or having custody of these animals or watercraft in the course of any business or without consent of the owners.

You also means persons employed by any of you and other persons while they are using a vehicle, to which this policy applies, on your premises and with the consent of any of you.

Specific terms of the insurance coverage are as follows:

DEFINITIONS

Wherever used in this policy, unless otherwise qualified or unless the context clearly indicates a different meaning, the following terms shall have the meanings respectively indicated:

Abuse means, for the purposes of this policy, an act which is committed with the intent to cause harm.

Bodily Injury means physical injury, sickness, disease or death, caused by an accident, sustained by any person except you.

Business means any full or part-time trade, profession or occupation, including farming or ranching, engaged in for economic gain.

Business does not mean:

1. The rental, or holding for rental, of part of your dwelling 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.

Collision is sudden physical contact of the mobile home with another object, or upset of the mobile home, but it does not include impact of the wheels alone of the mobile home with the road or surface upon which it is being transported unless such impact results in upset of the mobile home.

Conversion, Embezzlement, Secretion is wrongful appropriation of or dealing with or concealment of insured property to the detriment of an insured, a lienholder, or a loss payee; provided, that for purposes of **Vendor’s Single Interest Protection** coverage of this policy they, or any of them, shall be considered to exist only if:

1. The **Named Insured** has intentionally damaged the mobile home (and for this purpose damage resulting from neglect or omission to act on the part of the **Named Insured** shall not be deemed intentional damage); or
2. Legal action for the recovery of possession of the mobile home has been unsuccessful; provided such lack of success results from a transfer of ownership interest by the **Named Insured** to a party other than the **Selling Dealer** without permission of the **Lienholder** and not from failure of the **Lienholder** to file or record the lien instrument with the proper public office or official; or
3. Because of action by the **Named Insured**, the Company is unable, for a period of 30 days after receipt by it of copies of all papers, documents and records in the possession of the **Lienholder** pertaining to the lien transaction, to locate the mobile home, and no payment has been received by the **Lienholder** during the 30 day period.

Conversion, embezzlement or secretion as herein defined may take place with respect to a part only, as well as the whole, of the mobile home.

Family Member means a person who resides in your household and is related to you by blood, marriage or adoption.

Family Member also means a ward or a foster child.

Farm or **Farming** means the ownership or use of land for cultivation of agricultural products. **Impairment** shall be considered to exist only when:

1. By reason of **collision**, or of **conversion, embezzlement** or **secretion** of the mobile home by the **Named Insured**, its value has been reduced to an amount which is less than the amount of the **Lienholder's** interest therein plus the necessary and reasonable cost (other than transportation) of retaking possession; or

2. By reason of **conversion, embezzlement** or **secretion** by the **Named Insured**, the **Lienholder** is unable to locate the mobile home to repossess it, or legal proceedings for its repossession by the **Lienholder** have been unsuccessful.

For purposes of this coverage, the existence of a repurchase or recourse agreement with the **Selling Dealer** shall not be construed to preclude the existence of **impairment**, and if at the time of settlement the **Lienholder's** interest has been satisfied by the **Selling Dealer** under such an agreement, settlement shall be made with the **Selling Dealer** in place of the Lienholder.

Insured is the person, persons, organization or entity asserting a claim, or for whose benefit a claim is asserted, under this policy. In case the **Insured** is a corporation or other business entity, the term shall include appropriate agents or representatives thereof.

Lienholder is the person, firm, association, corporation or other legal entity (whether one or more) named as **Lienholder** in the Declarations and the designation shall constitute an acknowledgment by the **Insured** that the entity named holds a lien interest in the mobile home by virtue of a conditional sale contract, chattel mortgage, bailment lease, or other lien instrument or security agreement.

Medical Expense means reasonable charges for:

1. Medical;
2. Surgical;
3. X-Ray;
4. Dental;
5. Ambulance;
6. Hospital;
7. Professional nursing;
8. Recognized religious methods of healing;
9. Prosthetic devices; and
10. Funeral services.

Named Insured means the person or persons so named in the Declarations; under **Physical Damage to Insured Property coverages** the term is used for identification only, and is not intended necessarily to reflect or to acknowledge legal title or ownership of the insured property.

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, items commonly used to maintain a household premises, and irritants and contaminants that escape from heating and air conditioning systems and appliances or released by an accidental fire on your **premises**, are not a pollutant.

Pollutant also means animal or agricultural waste arising out of **farming** or **ranching** operations.

Premises means:

1. The dwelling and other structures on the described location shown on the Declarations Page.
2. The sidewalks, driveways or other private approaches that serve that dwelling and other structures.
3. The grounds that are immediately adjacent to that dwelling and other structures.
4. Vacant land, other than farm or ranch land, owned or rented to any of you.
5. Land on which a one-family or two-family dwelling is being built for your personal use
6. Premises not owned by you but in which you live temporarily.
7. Your cemetery plots and burial vaults.
8. Any part of a premises occasionally rented to you for other than business use.

Property Damage means direct physical damage or destruction of tangible property of others, including loss of its use caused by an accident.

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

Residence Employee means an employee of yours who performs duties in connection with the maintenance or use of your premises, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the business of any of you.

Selling Dealer means the person or organization so named in the Declarations.

SECTION I - PROPERTY COVERAGES

PHYSICAL DAMAGE TO INSURED PROPERTY

A. Property Covered

1. Mobile Home

Coverage for the mobile home described in the Declarations includes:

- a. Such parts, equipment and accessories as are originally built into and form a permanent part of its structure and in addition, steps, and oil or gas drums or tanks connected to and furnishing heating or cooking fuel to the trailer.
- b. Such appliances, furniture and equipment as were furnished by the manufacturer or dealer as standard equipment with the trailer, or described in the certificate or origin or sales invoice delivered to the **Named Insured** were included in the value upon which premium is paid, and remain part of the trailer at the time of loss. Subsequent replacements of the foregoing shall also be included if they remain part of the trailer at the time of loss.

- c. An outside radio or television antenna or tower located within 25 feet of the trailer and connected to a set located in the trailer or in an attached room or cabana, or on a patio immediately adjoining the trailer, but to the extent of \$50 in value only,

2. Adjacent Structures and Equipment

This coverage includes awnings, shelters, cabanas, porches, water pumps and air conditioners attached to (or being transported in) and used in connection with the trailer and described in the Declarations in this policy to the extent of their actual cash value but not exceeding the amount shown for such items under "Urn it of Liability" in the Declarations,

3. Personal Effects

Coverage for personal effects includes personal property owned, worn or used by an **Insured** and usual or incidental to the occupancy of the mobile home as a dwelling. It does not include adjacent structures and equipment, as described in **A.2.** above; animals; birds; automobiles; miscellaneous motor vehicles; vehicles licensed for road use; aircraft; property of roomers or boarders not related to an **Insured**; money or currency, deeds, documents, records, bills, notes, securities, evidence of debt, articles carried or held as samples, or for sale, or for delivery after sale, or for rental to others; property pertaining to a business or occupation of an **Insured**; and property which is separately described and specifically insured in whole or in part by any other insurance.

B. Perils Insured Against

1. Mobile Home and Adjacent Structures and Equipment.

a. **Broad Form Protection.** Under this coverage, the Company will pay for loss of or damage to the property described in subparagraph **A.1., Mobile Home**, and **A.2., Adjacent Structures and Equipment**, occurring during the policy period when the loss or damage is caused directly, suddenly and accidentally by one or more of the following perils:

- (1) Fire or lightning, except that damage which is confined to scorching is not covered.
- (2) Explosion; smoke or smudge (but not the gradual accumulation of any oily or greasy substance or film) resulting from any sudden, unusual, and unexpected event.

- (3) Stranding, sinking, falling, burning, collision or derailment of any conveyance in or upon which such property is being transported.

- (4) Theft, larceny, robbery, pilferage, or any attempt thereat.

- (5) Windstorm (meaning a high wind of extraordinary and unusual violence, or tornado, hurricane, cyclone or typhoon), hail, earthquake, landslide, flood or other water rising from outside such property; rain, snow or sleet driven through roof or wall openings made by direct action of wind, hail, or other peril insured against by this policy. Except as specifically included heretofore in this paragraph (5), damage from rain, sleet, or snow, whether or not wind driven, is not covered.

- (6) Riot or civil commotion; malicious mischief and vandalism perpetrated by a person or persons other than a member of the **Named Insured's** household.

- (7) Missiles propelled or objects falling from outside the mobile home or insured structure; forced landing of aircraft.

- (8) **Collision** or physical contact with such property by another vehicle if:

- (a) The other vehicle is not owned or operated by the **Named Insured**, a member of his household, or any occupant or transporter of such property; and

- (b) Such property is not, at the time of collision or contact, on or over any part of a vehicular right-of-way, and is not itself in motion.

- (9) Breakage of window or door glass constituting a part of, or of mirrors permanently affixed to such property.

b. Broad Form Comprehensive Protection.

Under this coverage, the Company will pay for loss of or damage to the property described in subparagraph **A.1., Mobile Home**, and **A.2., Adjacent Structures and Equipment**, occurring during the policy period when such loss or damage is caused directly, suddenly and accidentally by any peril except **collision**. For purposes of this coverage, no peril described in paragraphs (5) through (9) of the coverage **B.1.a.**, shall be considered as **collision**; but damage resulting only from leakage of rain, sleet or snow shall not be

deemed direct and accidental and is not intended to be covered under this paragraph.

c. Collision Protection (including Upset).

Under this coverage, the Company will pay for loss of or damage to the property described in subparagraph **A.1., Mobile Home**, when such loss or damage is caused directly, suddenly and accidentally by **collision**.

(1) Where full term protection is indicated in the Declarations, this protection continues throughout the term of the policy.

(2) Where trip collision only is shown in the Declarations, or by separate endorsement, this protection continues only for the number of days indicated beginning at 12:01 A.M. on the commencement date shown, or at the date and hour shown on the endorsement.

2. Personal Effects.

a. Under this coverage, the Company will pay for loss of or damage to the property described in subparagraph **A.3., Personal Effects**, occurring during the policy period while such property is within the mobile home, when such loss or damage is caused directly, suddenly and accidentally by:

(1) Fire or lightning, except that damage which is confined to scorching is not covered.

(2) Explosion; smoke or smudge (but not the gradual accumulation of any oily or greasy substance or film) resulting from any sudden, unusual, and unexpected event.

(3) Windstorm (meaning a high wind of extraordinary and unusual violence, or tornado, hurricane, cyclone or typhoon), hail, earthquake, landslide, flood or other water rising from outside the mobile home; rain, snow or sleet, driven through roof or wall openings made by direct action of wind or hail. Except as specifically included heretofore in this paragraph (3), damage from rain, sleet, or snow, whether or not wind driven, is not covered.

(4) Riot or civil commotion; malicious mischief and vandalism perpetrated by a person or persons other than a member of **Named Insured's** household.

(5) Missiles propelled or objects falling

from outside the mobile home or insured structure; forced landing of aircraft

(6) Collision of the mobile home with another object outside the mobile home.

b. In addition, protection is extended, to the extent of 10% of the dollar limit of liability stated for this coverage in the Declarations but not exceeding \$500, to personal effects which are not within the mobile home, where such loss is caused directly, suddenly and accidentally by fire or lightning as defined and limited above, earthquake, landslide, flood or other water rising from outside the mobile home, or the forced landing of aircraft.

C. Extensions of Coverage.

1. Whenever coverages **B.1.a.** or **B.1.b.** are purchased for the mobile home, the Company will extend the following coverages without specific premium charge.

a. Additional Living Expense.

(1) Coverage defined. In the event the mobile home is damaged or destroyed during the policy period from a peril or perils insured against by this policy and is thereby rendered uninhabitable, the Company will reimburse the **Named Insured**, subject to the limits set forth in paragraph **A.3.** under **Amount and Method of Settlement Applying to Section I**, for additional living expenses incurred by the **Named Insured** for himself and members of his mobile home household while the mobile home remains uninhabitable.

(2) Receipted bills must be furnished the Company within 30 days of the termination of the applicable reimbursement period.

b. Emergency Service Protection.

(1) Fire Department Service. The Company will reimburse the **Named Insured** for payment made, or indemnify him against liability assumed by him through agreement, whether oral or written, for fire department charges to the extent of not more than \$100 per run, where the department is called because of a fire in, on, or exposing the property insured under this policy, if at the time the department is called the property is located outside an area where fire department service is normally offered without specific charge.

(2) Emergency Removal Service. If at any time the mobile home is so situated that damage from impending fire, windstorm, flood or other perils against which it is insured by this policy is reasonably anticipated and removal of the mobile home to another place is urgently necessary to avoid or substantially reduce such anticipated damage, the Company will reimburse the Named Insured for the reasonable expense of such removal and of the subsequent return to the place from which it was removed not to exceed for any one removal and return the sum of \$50.

2. Whenever coverage **B.1.b.** is purchased for the mobile home, the Company will extend the following coverages without specific premium charge.

a. Trees, Shrubs, Plants and Lawns.

The Named Insured may apply up to \$200 of the limit of liability for Broad Form Comprehensive Protection to cover trees, shrubs, plants and lawn on the premises and owned by the Named Insured (except any grown for commercial purposes) against direct and accidental loss by fire or lightning, explosion, riot or civil commotion, malicious mischief or vandalism, or the falling or forced landing of aircraft or their parts or equipment, earthquake and landslide, all as defined and limited in paragraph **B.** under **Physical Damage to Insured Property**, but the Company shall not be liable for more than \$100 for any one lawn or one tree, nor more than \$25 for any one plant or shrub, including expense incurred in removing debris thereof. Coverage under this extension is only for damage from the perils listed in this paragraph **C.2.a.** and is subject as well to other limitations applicable hereto or to Broad Form Comprehensive Protection.

b. Debris Removal.

Coverage is extended to cover reasonable expenses not exceeding \$25 incurred by the Named Insured in removal from the premises of the debris of the property covered hereunder occasioned by damage or loss from a peril against which insurance is afforded by this policy.

VENDOR'S SINGLE INTEREST PROTECTION

A. Coverages Defined.

1. **Standard Protection: (Collision, Conversion, Embezzlement and Secretion).** This coverage indemnifies the Lienholder against

the impairment of its lien interest in the mobile home caused by any of the following events occurring during the policy period:

a. Collision (including Upset) of the mobile home.

b. Conversion, embezzlement or secretion of the mobile home by the Named Insured.

2. **Special Protection: (Repossession Return Expense).** In the event the mobile home is repossessed from the **Named Insured** by or on behalf of the **Lienholder** of **Selling Dealer**, this coverage will reimburse the **Lienholder** or **Selling Dealer** for the expense incurred in transporting the mobile home from the place of repossession in the shortest of the following distances:

a. to the place where it was sold by the **Selling Dealer** to the Named Insured;

b. to that location of the **Selling Dealer** named in the policy;

c. to that business location then operated by the **Selling Dealer** which is nearest to the place of repossession.

This coverage applies only to the mobile home as a whole and not separately to its parts and equipment, and is subject to a number of other provisions of the policy.

B. Miscellaneous Special Provisions

1. Subject to the provisions of Condition **B.2.a.**, under **Conditions Applying to Section 1 – Property Coverages**, no act or neglect of the **Named Insured** and no transfer of title or ownership in the mobile home shall invalidate the protection afforded the **lienholder** by this coverage.

2. A minimum earned premium charged under this policy for each mobile home is a minimum charge to be retained in full by the Company except that pro-rata cancellation may be allowed when new insurance is written by the Company within 30 days covering a different mobile home for the same **Named Insured**; pro-rata cancellation shall be allowed when cancellation is initiated by the Company.

3. The payment of a claim under one of the coverages in paragraph **A.1.** of this part shall to the extent of that payment, reduce the amount recoverable under the other coverages in such paragraph.

4. Authorized representatives of the Company shall at all reasonable times be permitted to examine the books, records and files of the **lienholder** and **Selling Dealer** for the purpose of determining any facts relating to this insurance coverage.

5. The Company waives any right to subrogation against the **Lienholder** except such actions as may result from the fraudulent actions of the **Lienholder**. The Company waives any right to subrogation against the **Named Insured** except such actions as may result from fraud, conversion, embezzlement, secretion or other willful wrong doing by such **Named Insured**.
6. The payment of a claim under the coverage described in paragraph **A.1.b.** under **Vendor's Single Interest Protection** for the cost of returning the mobile home to one of the locations designated under **Amount and Method of Settlement Applying to Section I**, paragraph **A.4.a.(5)** of this policy shall, to the extent of such payment, reduce any amount otherwise payable by the Company under paragraph **A.2.** under **Vendor's Single Interest Protection**.
7. If the mobile home insured by this policy is covered by other insurance protecting the **Named Insured** or the **Lienholder**, or both, against loss by collision, the single interest **collision** protection provided by paragraph **Al.** shall, as to such protected interests, be considered excess insurance and the Company shall be liable within the limits otherwise stipulated in this policy only if and to the extent that such other insurance does not cover the loss.

EXCLUSIONS APPLYING TO SECTION I - PROPERTY COVERAGES

A. Exclusions Applicable To All Section I Coverages.

This policy does not apply under any **Section I** Coverage:

1. to loss due to war, whether or not declared and including action in hindering, combating or defending against any actual, impending or expected attack; invasion, civil war; insurrection; rebellion or revolution; mass demonstrations or protests occurring in a foreign jurisdiction; or to confiscation by duly constituted governmental or civil authority.
2. to loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by any of the perils insured against by this policy.
3. for loss caused by, resulting from, contributed to or aggravated by any of the following:

- a. water which backs up through sewers or drains;
- b. water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors;
- c. high tide unless tide waters exceed normal high tide for the area as a result of windstorm of hurricane force or stronger, or of earthquake creating a tidal wave;

unless loss by fire or explosion ensues, and the Company shall then be liable only for such ensuing loss;

4. for loss occasioned directly or indirectly by the enforcement of any local or state ordinance or law regulating the construction, repair, demolition, sale, occupancy or placement of property insured under **Physical Damage to Insured Property** unless such liability is specifically assumed by endorsement attached to this policy;
5. for damage which is due and confined to defective manufacture, freezing, wear and tear, or mechanical or electrical breakdown or failure, unless such damage is the result of other loss covered by this policy;
6. for damage to tires and wheels, unless damaged by fire or stolen while attached to or from inside the mobile home, or unless such loss is coincident with and from the same cause as other loss covered by this policy;
7. to any person, entity or corporation who or which is an **insured** or payee under this policy for any damage occurring while the insured property is, to his or its knowledge, being used in any illicit trade, business or activity; provided that for purposes of this exclusion reasonable grounds to suspect such use shall be equivalent to knowledge if such use in fact existed and reasonable investigation would have so indicated;
8. for loss due to acts of malicious mischief or vandalism perpetrated by any member of the household of a person in lawful possession or custody of the mobile home.

B. Exclusions Applicable To Physical Damage to Insured Property.

The Company shall not be liable under the provisions of **Physical Damage to Insured Property** for loss due to **conversion, embezzlement** or **secretion** by the **Selling Dealer** or by any person in lawful possession or custody of the insured property.

CONDITIONS APPLYING TO SECTION I - PROPERTY COVERAGES

All obligations of the Company under this policy are subject to the performance by the Insured of the following conditions:

A. General Conditions Applicable to Physical Damage to Insured Property and Vendor's Single Interest Protection.

1. **Payment of Premium.** The appropriate premium, as indicated in the Declarations for the coverages purchased and for the full policy period, shall be paid.
2. **Protection of Insured Property.** Upon the threat or occurrence of a loss or an event which may give rise to a claim under this policy, the Insured shall use all reasonable means to protect any property insured hereunder from loss or further loss. Reasonable expense incurred in affording such protection shall be deemed incurred at the Company's request
3. **Notice of Loss or Claim.** Upon the occurrence of a loss or an event which may give rise to a claim under this policy:
 - a. The **Insured**, or someone on his behalf, shall give notice of the loss or event as soon as practicable to the Company or one of its authorized agents. The notice shall contain particulars sufficient to identify the **Insured** and also reasonably obtainable information concerning the time, place and circumstances of the loss or event, the names and addresses of available witnesses.
 - b. Any loss due to theft, larceny, robbery or pilferage, or any attempt thereat, shall promptly be reported to appropriate police authorities, but the Insured shall not, except at his own expense, offer to pay any reward for the recovery of insured property.
4. **Assistance and Cooperation.** The **Insured** and any person interested in or claiming any benefit under this policy shall cooperate with the Company and, upon the Company's request, assist in making settlements, in the conduct of suits, and in enforcing any right of contribution, indemnity or recovery against any person or organization who may be liable for any injury, damage or loss with respect to which insurance is afforded under this policy. The **Insured** and all such persons shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **Insured** shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense.
5. **Proof of loss.** The **Insured**, or someone on his behalf, shall file proof of loss with the Company within 91 days after the occurrence of the loss, unless such time is extended in writing by the Company and upon the Company's request, exhibit the damaged property to duly authorized representatives of the Company, and submit to and subscribe examinations under oath conducted by anyone designated by the Company, produce for the Company's examination all pertinent papers, documents and records (or certified copies thereof, if originals be lost), permitting copies thereof to be made by or on behalf of the Company all at such reasonable times and places as the Company from time to time may designate. The proof shall be in the form of a sworn statement by the Insured and shall include in reasonable detail the interest of the **Insured** and of all others in the insured property, any encumbrances thereon, the actual cash value thereof at the time of loss, the amount, place, cause and surrounding circumstances of the loss, the amount of any other expense for which claim is made, original receipts for such expenditures, and a description and amount of all other insurance covering the insured property. Minors will be permitted to have a parent or guardian present during examination under oath.
6. **Appraisal.** If the **Insured** and the Company fail to agree as to the amount of loss, each shall, on the written request of either made within 30 days after receipt by the Company of proof of loss, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire; but, failing for 15 days to agree upon such umpire, then, on the request of either party, such umpire shall *be* selected by a judge of a court of record in the county and state in which the appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value of the insured property at the time of loss, and the amount of the loss in accordance with the terms of this policy. Should the appraisers disagree, their differences shall be submitted to the umpire, and an award in writing by any two shall determine the amount of loss. The **Insured** and the Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and the umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.
7. **Notice of Alleged Waiver.** In any instance in which the **Insured** shall claim that the

Company has waived the proof of loss requirement of this policy, it shall be incumbent upon the **Insured** to notify the Company in writing at its home office that he alleges such waiver and that he intends to rely upon it, and the Company shall have 30 days after receipt of such written notice in which to demand an appraisal. No act of the Company pertaining to, or as a result of, such notice shall constitute an admission of, or estop it to deny, such alleged waiver.

- 8. Action Against the Company.** No payment shall be due by the Company under this policy and no action shall lie against the Company unless, as a condition precedent thereto, the **Insured** shall have fully complied with all of the terms of this policy, nor until 30 days after proof of loss is filed and the amount of loss is determined as provided in this policy. Nor shall any action lie against the Company for the recovery of any claim unless it is commenced within five (5) years next after occurrence of the loss; provided that if this policy is issued in a state which, by law, prohibits limiting the commencement of an action to this short a period, the period for commencing an action against the Company shall be extended to conform to the minimum period permitted by law.
- 9. Loss Payable Clause.** If a **Lienholder** is named in the Declarations of this policy, any loss under the policy shall be payable to that **Lienholder** as its interests may appear at the time of loss. If at the time of settlement on a single interest basis of any such loss, the **Named Insured's** rights in the mobile home under the lien instrument have been or are being terminated, the value of the **Lienholder's** interest in the mobile home shall be computed by deducting from the **Named Insured's** unpaid balance at the date of loss unearned interest, insurance, finance and other carrying charges computed pro-rata as of the date of loss. The insurance shall not, as to the interest of the **Lienholder**, be invalidated by any act or neglect of the **Named Insured** nor by any change in the title or ownership of the mobile home to which it has not consented, provided that:
- a. If the **Named Insured** shall neglect to pay any premium due under the policy, the **Lienholder** shall, on demand, pay the same; and
 - b. The **Lienholder** shall notify the Company of any change of ownership or increase of hazard which shall come to the knowledge of the **Lienholder** and shall, on demand, pay any additional premium attributable to the increased hazard.

If the Named Insured fails to render proof of loss within the time granted on the policy conditions, **Lienholder** shall do so within 91 days thereafter and the time for demanding appraisal, for payment and for bringing suit shall be extended accordingly.

B. Conditions Applicable to Vendor's Single Interest Protection (VSI) Only.

1. Conditions Precedent to Liability- All VSI Coverages.

Regardless of any other provision of this policy, and in addition to all other conditions and provisions of the policy which apply to all coverages including this, the Company shall have no liability under any **Vendor's Single Interest Protection** coverage unless and until all of the following conditions exist or have been performed by the **Lienholder** or **Selling Dealer**:

- a. The lien transaction was entered into in accordance with normal and usual credit standards.
- b. The lien instrument at the time of its execution was legally enforceable and represented a bona fide security transaction intended in good faith by the parties to secure the repayment of the amount of encumbrance shown in the Declarations of this policy.
- c. At the date this coverage became effective no payment was more than 30 days past due under any lien instrument or encumbrance covering the mobile home.
- d. The Named Insured has defaulted in payment.

2. Conditions Precedent to Liability - Paragraph A.1. (Collision, Conversion, Embezzlement and Secretion) Coverage.

Regardless of any other provision of this policy, and in addition to all other conditions and provisions of the policy which apply to all coverages including this, the Company shall have no liability under any paragraph **A.1.** coverage unless and until all of the following conditions exist or have been performed by the **Lienholder**.

- a. **Effective Date of Claim.** As soon as the **Lienholder** has reasonable cause to believe that a loss included in this coverage has occurred it shall notify the Company of the potential loss and shall forthwith forward to the Company as a part of such notice copies of all instruments, records, papers and documents in its possession pertaining to the lien transaction, to the payments and collection efforts on the account, and to the potential loss. The date on which such papers are received in the Home

Office shall be the Effective Date of Claim and computation shall be made as of that date,

- b. The **Lienholder** shall at its own expense use all reasonable efforts and means (1) to effect the security, protection and preservation of the mobile home; (2) to locate the **Named Insured** and the mobile home; (3) to collect all amounts due the **Lienholder** with respect to the mobile home and the lien transaction, whether under the lien instrument and/or security agreement or otherwise; (4) to pursue its rights and remedies so as to prevent or minimize any impairment of its interest claimed to be covered by this policy, Reasonable efforts and means may, in appropriate circumstances, include litigation. Efforts to locate the **Named Insured** and the mobile home shall continue until successful or until 30 days after the Effective Date of Claim, whichever period is shorter. In default of collection of any balance due, the **Lienholder** shall repossess the mobile home, or any part or parts thereof, whenever located,
 - c. If a claim under this coverage is based upon the fraudulent or willfully wrongful act of the Named Insured, the lienholder shall, upon request of the Company, promptly report the matter to appropriate law enforcement authorities,
 - d. In a partial conversion, embezzlement or secretion claim, the Lienholder shall have furnished to the Company a certified inspection report executed on the date of repossession by the person who actually repossessed the mobile home, describing the condition of the mobile home and listing in detail any items appearing to be missing.
- 3. Condition Precedent to Liability-Paragraph A.2. (Repossession Return Expense) Coverage.** Regardless of any other provision of this policy, and in addition to all other conditions and provisions of the policy which apply to all coverages including this, the Company shall have no liability under any paragraph **A.2.** coverage unless and until the **Lienholder** or **Selling Dealer** shall have notified the Company at its Home Office of the fact of repossession or anticipated repossession at least 48 hours (excluding of Saturdays, Sundays and holidays) prior to the commencement of the return transportation of the mobile home, in order to permit the Company to exercise the option referred to in paragraph **B.2,** under **Amount and Method of Settlement Applying to Section I.**

AMOUNT AND METHOD OF SETTLEMENT APPLYING TO SECTION I – PROPERTY COVERAGES

A. Determining the Amount of Settlement – Limitations on Company Liability.

1. The amount of the Company's liability for loss of or damage to property under Section I – Property Coverages – Physical Damage to Insured Property shall:
 - a. not exceed the lowest of:
 - (1) the cost of repairing the damage; or
 - (2) the actual cash value of the insured property immediately preceding the loss; or
 - (3) the cost of replacing the insured property; or
 - (4) the limit of liability stated in the Declarations;
 and the liability thus determined shall, in addition, be subject to any deductible amount stipulated in the policy for the type of loss involved.
 - b. in any loss involving part of a pair, set, or series of objects, pieces or panels (whether interior or exterior), be determined by reference to:
 - (1) a fair and reasonable proportion of the part to the total value of the pair, set or series; or
 - (2) the reasonable cost of repairing or replacing the damaged part so as to match the remainder as closely as reasonably possible under the circumstances; or
 - (3) the reasonable cost of providing a reasonably acceptable alternative decorative effect or utilization;
 as the circumstances may warrant. The Company does not guarantee the availability of parts or replacements and shall not, in the event of such damage to or loss of a part, be obligated for the value of, or to repair or replace, the entire pair, set or series.
2. In addition to the foregoing general limitations, the Company shall not be liable on any one loss with respect to **personal effects**:
 - a. for more than \$100 on coin collections or other numismatic property and paraphernalia;
 - b. for more than \$100 on passports, railroad and other tickets, securities, manuscripts, and stamps or other philatelic property and paraphernalia;
 - c. for more than \$250 on any single article of jewelry (including, but without being limited to, watches, necklaces, bracelets,

gems, precious and semi-precious stones, and articles of gold and platinum); art (including, but without being limited to, (paintings, sculptures, drawings, etchings, ceramics and china); heirlooms; or fur (including any article containing fur which represents its principal value).

3. With respect to the extension of **Additional Living Expense** coverage paragraph C.1.a. under **Physical Damage to Insured Property**, the following limitations shall apply:

- a. Reimbursement is limited to additional expense incurred not exceeding \$100.00 per month.
- b. The period of reimbursement shall not exceed the shortest of the following periods of time:
 - (1) the number of days the mobile home is uninhabitable.
 - (2) the number of days elapsing between the date of loss and the date the repaired mobile home is, or can reasonably be, returned to the **Named Insured** at the site of loss.
 - (3) the number of days elapsing between the date of loss and the date on which the Company, having offered to replace the damaged mobile home, can make delivery of the replacement.
 - (4) the number of days elapsing between the date of loss and seven days after the date the Company offers a cash settlement based either upon a repair estimate or upon the actual cash value of the mobile home.
- c. The term "Month" for purposes of this coverage shall be construed to mean 30 consecutive days.

4. Amount of Settlement for **Vendor's Single Interest Protection** losses.

- a. In the settlement of any loss under **Vendor's Single Interest Protection**, paragraph A.1. the Company's liability shall not exceed the lowest of the following:
 - (1) the cost of the **Lienholder** or the **Selling Dealer** of repair or replacement of the mobile home.
 - (2) the actual cash value of the mobile home at the Effective Date of Claim.
 - (3) the amount of any impairment of the lienholder's interest, measured by the Named Insured's unpaid balance not more than 60 days past due;
 - (a) Less unearned interest, insur-

ance, finance and other carrying charges computed pro-rata as of the Effective Date of Claim and less the full amount of any penalties or other charges which may have been added to such unpaid balance after the execution of the lien instrument; and

- (b) Plus the reasonable cost (other than for transportation) necessarily incurred in retaking possession of the mobile home.

(4) If, in a **conversion, embezzlement** or **secretion** claim, the mobile home is located within 30 days after the Effective Date of Claim, the Company's liability shall be limited to its own expense incurred in locating, or attempting to locate, the mobile home, unless a **conversion, embezzlement** or **secretion**, as defined in Definitions has occurred.

(5) If, in a **conversion, embezzlement** or **secretion** claim, the mobile home is located later than 30 days but within 120 days after the Effective Date of Claim, the Company's liability may at its option, be limited to the cost of transporting the mobile home to the business location of the **Lienholder**, or of the **Selling Dealer**, nearest to the point of location of the mobile home, or to the address of the **Named Insured** last known to the **Lienholder**, or to the **Named Insured's** address as shown in this policy.

b. In the settlement of any loss covered under **Vendor's Single Interest Protection**, paragraph A.2., the Company's liability shall not exceed the lower of:

(1) A transportation cost per mile equivalent to rates per mile approved by the Interstate Commerce Commission for common carriers hauling mobile homes or travel trailers in the applicable territory, or the rate of 60 cents per mile, whichever is less, (subject to a deductible amount of \$100 applicable to each loss); or

(2) \$600 in excess of a deductible amount of \$100 applicable to each loss.

5. **Other Insurance.**

- a. The Company shall not be liable for a greater proportion of any loss than (1)

the applicable limit of liability this policy bears to the whole amount of insurance covering the property, or which would have covered the property except for the existence of this insurance, and whether or not such other insurance covers against the additional peril or perils insured hereunder, nor for a greater proportion of any loss than (2) the applicable limit of liability this policy bears to all insurance covering in any manner such loss, or which would have covered such loss except for the existence of this insurance. This sub-paragraph shall not, however, apply to **Vendors Single Interest Collision** losses.

- b. When loss under this policy is subject to a deductible, the Company shall not be liable for more than its pro-rata share of such loss in excess of the deductible amount.

B. Method of Settlement.

1. The company may, in its discretion, determine in which of the following ways it will settle any loss under Physical Damage to Insured Property paragraph **A.1.** of this policy:
 - a. By paying for the cost of repairing any damaged property; or
 - b. By replacing any damaged property with other property of like kind, quality and value (subject to the provisions of paragraph **A.1.b.** of this provision when applicable); or
 - c. By paying the amount of the Company's liability in money.
2. In the settlement of any loss covered under **Vendor's Single Interest Protection**, paragraph **A.2.**, the Company shall have an election whether:
 - a. To pay the cost of transportation subject to the above limitations, or
 - b. To pay to the Lienholder the amount of the Named Insured's unpaid balance (computed as provided in sub-paragraph **A.4.a.(3)** under **Amount and Method of Settlement Applying to Section I** above) in return for a transfer by the **Lienholder** to the Company of good and merchantable title to the mobile home.

The Company shall have a period of 48 hours, (exclusive of Saturdays, Sundays, and holidays), after receiving notification required by paragraph **B.3.** under Conditions Applying to Section I – Property Coverages, in which to elect the method of settlement under this paragraph. Failure of the **Lienholder** to repossess at its expense and deliver possession of and good title to the mobile

home within 30 days after such election by the Company (or after completion of legal proceedings for repossession if such proceedings become necessary) shall relieve the Company of further liability under paragraph **A.2.**

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

If a claim is made or a suit is brought against you for damages because of bodily injury or property damage caused by an accident we will:

1. Pay up to the Limit of Liability shown on the Declarations Page for damages for which you are legally liable.
2. Provide a defense at our expense by attorney of our choice.

We may make any investigations and settle any claims or suits that we decide appropriate. Our obligation to defend any claim or suit ends when the amount we pay in settlement or judgment equals the Limit of Liability shown on the Declarations Page. Coverage F – Personal Liability applies to **bodily injury** or **property damage** only if the **bodily injury** or **property damage** occurs during the Policy Period shown on the Declarations Page.

B. Coverage F – Medical Payments to Others

We will pay for you, up to the Limit of Liability shown on the Declarations Page, the actual, reasonable and necessary medical expenses incurred or medically determined within three years from the date of an accident causing **bodily injury**.

Medical Payments to Others applies only:

1. To a person on your premises with your permission.
2. To a person on or off your premises if the bodily injury:
 - a. arises out of a condition in or on your **premises**;
 - b. is caused by your activities;
 - c. is caused by a **residence employee** in the course of duties for you;
 - d. is caused by a domestic household animal owned by you or in your care.
3. To accidents that occur during the Policy Period.

A Medical Payments to Others payment is not an admission of liability by any of you or us.

C. Additional Coverages

1. Claim Expenses- We will pay:

- a. Expenses we incur and costs taxed against you in any suit we defend.
- b. Premiums on bonds required in a suit we defend, but not for bond amounts greater

than the Limit of Liability for **Coverage E – Personal Liability**. We are not obligated to apply for or furnish any bonds.

- c. Expenses you incur at our request, including up to \$250 a day actual loss of earnings, for assisting us in the investigation or defense of any claim or suit.
- d. Prejudgment interest awarded against you on that part of the judgment we pay.
- e. Interest on the entire entered judgment until we pay, formally offer, or deposit in court that part of the judgment that does not exceed the limit of our liability on that judgment.

2. First Aid Expenses

We will pay your expenses for first aid to others at the scene of an accident that occurs during the Policy Period shown on the Declarations Page. We will not pay for first aid to any of you.

3. Damage to Property of Others

We will pay, at replacement cost, up to \$500 per accident, for Damage to Property of Others caused by you, provided that the damage occurs during the Policy Period shown on the Declarations Page and that at the time of the accident the property was being used by any of you or was in your care.

EXCLUSIONS APPLYING TO SECTION II – LIABILITY COVERAGES

A. Under Coverage E – Personal Liability and Coverage F – Medical Payments to Others, we will not pay for **bodily injury** or **property damage**:

- 1. Resulting from any act or omission that is intended by you to cause any harm or that you could reasonably expect to cause harm. This exclusion applies whether or not you:
 - a. Intended or expected the result of his or her act or omission so long as the resulting injury or damage was a natural or foreseeable consequence of the intended act or omission;
 - b. Were under the influence of alcohol or narcotics;
 - c. Were insane; or
 - d. Are deemed not to have had the mental capacity to form the legal intent to commit the act or omission causing injury or damage.

This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

- 2. Arising out of the **business** pursuits of any of you.

- 3. Arising out of the ownership, maintenance or use of any **farming** or **ranching** property.
- 4. Arising out of the care, handling, or riding of any animal other than a domestic household animal.
- 5. Arising out of the rendering or failing to render professional services.
- 6. Arising out of the actual, alleged or threatened discharge, dispersal, release, escape of, or the ingestion, inhalation or absorption of **pollutants**.
- 7. Arising out of loss, cost or expense from any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.
- 8. Arising out of the ownership, operation, maintenance, use, loading or unloading of:
 - a. Aircraft. This exclusion does not apply to model or hobby aircraft not used or designed to carry people or cargo.
 - b. A land motor vehicle designed for use on public roads, entirely or partially owned or operated by or rented or loaned to any of you. This exclusion does not apply if the land motor vehicle is not subject to motor vehicle registration because it is:
 - (1) used solely for the maintenance of the **premises**.
 - (2) kept in dead storage on your **premises**.
 - c. A recreational land motor vehicle owned entirely or partially by any of you. This exclusion does not apply:
 - (1) To recreational land motor vehicles on your **premises** except while used for **farming** or **ranching**.
 - (2) To recreational land motor vehicles in dead storage.
 - (3) To a golf cart except while used for farming or ranching.
 - d. Watercraft:
 - (1) Owned entirely or partially by, or rented to, any of you if it has motor power of more than .50 total horsepower.
 - (2) Owned entirely or partially by, or rented to, any of you if it is a sailing vessel 26 feet or more in length. This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of employment by any of you.
 - e. Trailers. This exclusion applies only to trailers being towed by or carried on a land motor vehicle.

9. Arising out of the entrustment by any of you to any person of any aircraft, land motor vehicle, recreational land motor vehicle, watercraft or trailer the use of which is not insured in Your Liability Coverages.

10. Arising out of:

- a. The negligent supervision by any of you of any person;
- b. Any liability by statute imposed on any of you; or
- c. Any liability assumed through an unwritten or written agreement by any of you;

with regard to the ownership, operation, maintenance or use of any aircraft, land motor vehicle, recreational land motor vehicle, watercraft or trailer that is not insured in Your Liability Coverages.

11. Arising directly or indirectly out of war, hostile or warlike action in time of peace or war, whether or not declared, riot or civil disorder.

12. Arising out of the transmission of disease by any of you through sexual contact.

13. Arising out of child care services provided for a fee by or at the direction of:

- a. any of you;
- b. any of your employees;
- c. any other person actually or apparently acting on your behalf of any of you.

This exclusion does not apply to the occasional child care services provided by any of you or to the part-time child care services provided by any of you younger than 19 years of age.

14. Arising out of any sexual act, sexual molestation, corporal punishment, or physical or mental abuse by you. For the purposes of this exclusion, **abuse** means an act which is committed with the intent to harm.

15. Arising out of your illegal acts.

16. Sustained by any person who regularly resides on your premises. This exclusion does not apply to the rental, or holding for rental, of part of your dwelling shown on the Declarations Page unless intended for use as a residence by three or more roomers or boarders.

17. Resulting from an act committed by you in the course of or in furtherance of any crime or offense of a violent nature.

18. Arising out of any premises or dwelling owned by or leased to any of you that is not described on the Declarations Page.

19. Arising out of liability for your share of any loss for an assessment charged against all

members of an association of tenants or property owners.

B. Under **Coverage E – Personal Liability**, we will not pay for:

1. Liability assumed in an unwritten or written agreement in connection with a **business** of any of you.
2. Liability arising out of any written or oral statement made by you or others on your behalf which is material to any financial transaction.
3. Damage to property owned, sold, rented to others, abandoned or given away by any of you.
4. Damage to property rented to, occupied or used by any of you or in your care. This exclusion does not apply to **property damage** caused by **fire, smoke or explosion** other than **property damage** to property used for **farming or ranching**.
5. **Bodily injury** to any person eligible to receive any benefits required to be provided by you under any workers' compensation, non-occupational disability or occupational disease law.
6. **Bodily injury or property damage** to any of you as defined in this policy.

C. Under **Coverage F – Medical Payments to Others**, we will not pay for bodily injury:

1. To any of you or any person who regularly resides on your premises.
2. To a residence employee if bodily injury occurs off your premises and does not arise out of, or in the course of, the employment by any of you.
3. To any person eligible to receive any benefits required to be provided by you under any workers' compensation, non-occupational disability or occupational disease law.

D. Under **Damage to Property of Others**, we will not pay for damage:

1. Otherwise insured in this policy.
2. Caused intentionally by any one of you who is 13 years old or older.
3. To property owned by any of you or any person who regularly resides on your premises.
4. Arising out of:
 - a. Any of your business.
 - b. Any act or omission in connection with a premises owned, rented or controlled by any of you that is not described in this policy.
5. Arising out of the ownership, operation, maintenance or use of any:
 - a. Aircraft;

- b. Land motor vehicle;
- c. Recreational land motor vehicle;
- d. Watercraft;
- e. Trailer;

This exclusion does not apply to the ownership, operation, maintenance or use of:

- a. Golf carts except while used for farming or ranching.
- b. Equipment usual and incidental to the maintenance of your premises.

CONDITIONS APPLYING TO SECTION II - LIABILITY COVERAGES

- A. Limits of Liability.** The Limit of Liability for Coverage F - Personal Liability will not exceed the limit shown on the Declarations Page regardless of the number of people insured or claims made. The insuring of more than one person or organization by this policy does not increase the Limit of Liability.
- B. Severability of Insurance.** This insurance applies separately to each of you. This condition will not increase our limit of liability for any one accident
- C. What to Do When You Have a Loss.**
1. In the event of an accident, you or someone on your behalf must notify us as soon as practicable. The quickest way is to phone your insurance representative or us. Please give your name, policy number, how the accident happened, the extent of the damages or injuries, names of witnesses and all other pertinent facts. You must promptly send us any demand, notice, summons or other legal papers you receive. If you fail to comply with these requirements as a result of which our rights are affected, we will deny coverage to you
 2. If we need other information to investigate the loss, we will ask you for it. We may require this information in writing.
 3. You may be required to submit to examination under oath. Minors will be permitted to have a parent or guardian present during examination under oath.
 4. You will be required to cooperate with us in our effort to investigate the accident, settle any claims against you and defend you. If you fail to cooperate, we have the right to deny you coverage in this policy.
 5. You may not, except at your own cost, voluntarily make any payment, assume any obligation or incur any expenses other than First Aid Expenses for others.
 6. **NOTE:** As respects **bodily injury** liability coverage and **property damage** liability coverage, unless we are prejudiced by your failure to comply with the requirement, any provision of this policy requiring you to give

notice of action, occurrence or loss, or requiring you to forward demands, notices, summons or other legal process, will not bar liability under this policy.

- D. Other Insurance - Coverage F - Personal Liability.** This insurance is excess over other valid insurance except insurance written specifically to cover excess over the limits that apply in this policy.
- E. Legal Action Against Us.** You may not bring legal action against us unless you have fully complied with all of its terms. No one will have any right to join us as a party to any action against any of you. No action may be brought against us until your obligation has been determined by final judgment or agreement signed by us.
- F. Changes in Your Policy.** 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. 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 change in your premium will be made at this time.
- G. Notice of Settlement of Liability Claims**
1. We will notify you in writing of your initial offer to compromise or settle a claim against you. Notice will be given no later than the 10th day after the date on which the offer is made
 2. We will notify you in writing of any settlement of a claim against you. Notice will be given no later than the 30th day after the date of settlement.

MISCELLANEOUS PROVISIONS APPLYING TO SECTION I AND SECTION II COVERAGES

A. Declarations, Agreements.

By acceptance of this policy, the **Named Insured** agrees that the Declarations Page attached to this policy correctly describes the parties, term, and subject matter of the insurance transaction, and the coverages purchased, that this policy is issued by the Company in reliance upon the truth and accuracy of such Declarations, and that this policy embodies all agreements existing between the **Named Insured** and the Company or any of its agents relating to this insurance.

B. Return of Stolen Property.

The Company may at any time before settlement of a loss under **Physical Damage to Insured Property**, return any stolen property to the **Insured** with payment for any damage resulting from the theft.

C. Salvage; No Abandonment to the Company.

Upon settlement by the Company of any total loss to property, the salvage, if any, shall belong to the Company. There shall be no abandonment to the Company.

D. Automatic Reinstatement.

When the insured property is damaged, whether or not such damage is covered under this policy, the liability of the Company shall be reduced by the amount of such damage until repairs have been completed, but shall then attach as originally written without additional premium.

E. No Benefit to Bailee.

The insurance afforded by this policy shall not inure directly or indirectly to the benefit of any carrier or bailee liable for loss to the mobile home.

F. Subrogation.

In the event of any payment under this policy, the Company shall be subrogated to all the **Insured's** rights of recovery therefor against any person or organization and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after loss to prejudice such rights. The condition does not apply to **Section II Medical Payments to Others, or Damage to Property of Others** coverage.

G. Changes.

The terms of this policy shall not be waived or changed except by endorsement issued to form a part of this policy.

H. Assignment; Bankruptcy; Death of Named Insured.

Assignment or transfer of interest under this policy shall not bind the Company until its consent is endorsed hereon. If the **Named Insured** shall be adjudged bankrupt or insolvent within the policy period, we will still insure you for the period of time your premium is paid. If you die, this policy will continue for other members of your family entitled to coverage at the time of your death or for your legal representative.

I. Concealment, Fraud.

This entire policy may be void if, whether before or after a loss, the **Insured** has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the **Insured** therein, or in case of any fraud or false swearing by the **Insured** relating thereto.

J. Cancellation.

1. You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.
2. We may cancel this policy at any time for the reasons stated in this condition by mailing you notice in writing of the date cancellation takes effect.
 - a. If this policy has been in effect for less than 60 days and is not a renewal policy, we may not cancel this policy unless:
 - (1) We identify a condition that:

- (a) Creates an increased risk of hazard;
- (b) Was not disclosed in the application for insurance coverage; and
- (c) Is not the subject of a prior claim;

(2) Before the effective date of the policy, we do not accept a copy of a required inspection report that:

- (a) Was completed by an inspector licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections; and
- (b) Is dated not earlier than the 90th day before the effective date of the policy.

An inspection report is deemed accepted unless we reject it before the 11th day after the date we receive it;

- (3) You do not pay the premium or any portion of the premium due;
- (4) The Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state;
- (5) You submit a fraudulent claim; or
- (6) There is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium rate of this policy.

The effective date of cancellation cannot be before:

- (1) The 10th day after we mail notice if we cancel for reason (3), (4), (5) or (6) above.
 - (2) The 30th day after we mail notice if we cancel for any other reason.
- b. If this policy has been in effect 60 days or more, or at any time if it is a renewal policy, we may not cancel this policy unless:
- (1) You do not pay the premium or any portion of the premium due.
 - (2) The Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
 - (3) You submit a fraudulent claim.
 - (4) There is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium rate of this policy.

The effective date of cancellation cannot

be before the 10th day after we mail the notice. Our notice of cancellation must state the reason for cancellation.

- c. When this policy is cancelled, we will send you any refund due not later than the 15th business day after the effective date of cancellation. The premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- d. If we cancel, our notice to you will state that if this refund is not included with the notice, it will be returned on demand or not later than the 15th business day after the date of cancellation.
- e. We may not cancel this policy solely because you are an elected official.

K. Refusal To Renew

- 1. We may not refuse to renew this policy because of claims for losses resulting from natural causes.
- 2. We may not refuse to renew this policy solely because you are an elected official.
- 3. We may refuse to renew this policy if you have filed three or more claims under the policy in any three year period that do not result from natural causes.

If you have filed two claims in a period of less than three years, we may notify you in writing, that if you file a third claim during the three-year period, we may refuse to renew this policy by providing you proper notice of our refusal to renew as provided in 4. below. If we do not notify you after the second claim, we may not refuse to renew this policy because of losses.

A Claim does not include a claim that is filed but is not paid or payable under the policy.

- 4. If we refuse to renew this policy, we must deliver to you, or mail to you at your mailing address shown on the declarations page and any mortgagee named on the declarations page, written notice of our refusal to renew not later than the 30th day before the date on which this policy expires. Proof of mailing will be sufficient proof of notice. If we fail to give you proper notice of our decision not to renew, you may require us to renew the policy.
- 3. Anyone receiving the benefit of payment under this policy will hold in trust for us the proceeds of any recovery of damages from another party, and reimburse us to the extent of our payment.

L. Terms of Policy Conformed to Statute.

Any terms of this policy which are in conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.

M. Policy Term.

This policy applies only to losses or occurrences during the policy term.