

SECURED INTEREST PROTECTION ENDORSEMENT

If **you** borrowed money to buy **your** manufactured home, **your** lienholder and manufactured home dealer needed some security for that loan. In most cases your manufactured home will be the security. In other words, the loan is secured by **your** manufactured home. **Your** lienholder and manufactured home dealer have a secured interest in **your** manufactured home and may require that the Secured Interest Protection Endorsement be added to **your** policy. Any additional premium may have to be paid by **you**.

COLLISION OR UPSET

We will pay the lienholder or the manufactured home dealer for direct and sudden accidental loss to the manufactured home caused by collision while the manufactured home is being moved from one place to another. Collision which damages only wheels, tires, axles and running gear isn't covered. In each claim for loss or damage, \$100 will be deducted from the amount of loss.

ALTERATION

We will pay the lienholder or the manufactured home dealer if the Named Insured caused deliberate damage to the manufactured home or made substantial changes in its structure with the intention of reducing its value without permission of the lienholder or the manufactured home dealer. Total Alteration results when the damage or change reduces the value of the manufactured home so that the cost of repair plus the salvage value exceed the actual cash value of the manufactured home before such damage or change. Damage resulting from neglect or omission to act, or from wear and tear or hard usage won't be considered as alteration. In each claim for loss or damage, \$100 will be deducted from the amount of the loss.

CONVERSION

We will pay the lienholder or the manufactured home dealer if they are unsuccessful in their efforts to recover possession of the manufactured home or its missing parts due to the Named Insured's transfer of ownership without permission of the lienholder or the manufactured home dealer. In each claim for loss or damage, \$100 will be deducted from the amount of the loss.

CONCEALMENT

We will pay the lienholder or the manufactured home dealer if they are unable to locate the manufactured home or its missing parts within 120 days after **we** receive all of the lienholder's or manufactured home dealer's papers, documents and records regarding the loan as long as the Named Insured hasn't made a loan payment to the lienholder or manufactured home dealer during that 120 days. A police report must be filed for each loss contained in this paragraph. In each claim for loss or damage, \$100 will be deducted from the amount of the loss.

REPOSSESSION EXPENSE

If the manufactured home is repossessed by or on behalf of the lienholder or the manufactured home dealer, this coverage provides payment by us to the lienholder or manufactured home dealer for an amount equal to the expense of transporting the manufactured home from the place of repossession to the shortest of the following:

The place where it was sold by the lienholder or manufactured home dealer;
or

To the nearest business location of the lienholder or manufactured home dealer.

Repossession Expense applies only to the expense of returning the entire manufactured home but not to the expense of returning only separate parts, equipment or accessories. In each claim for loss, \$100 will be deducted from the amount of the loss.

OUR PAYMENT METHODS

The amount **we** pay the lienholder or the manufactured home dealer for loss covered by Secured Interest Protection will be the lowest of:

- ▶ The cost without overhead or profit to the lienholder or the manufactured home dealer for repairing or replacing the manufactured home and parts with property of similar quality and value; or
- ▶ The amount of interest of the lienholder or manufactured home dealer in any Alteration, Conversion or Concealment loss, measured by the unpaid balance, not more than 60 days past due; less
- ▶ Unearned interest, insurance, finance and other carrying charges computed as of the date of the claim, and also minus any penalties or other charges which may have been added to the loan after the loan was finalized; or
- ▶ Replacement of the property with property of similar kind, quality and value; or Actual cash value of the manufactured home or of the missing parts immediately before the loss.
- ▶ Repossession Expense is limited to: the rate per mile for transportation up to 70¢ per mile.
- ▶ This is subject to a maximum payment of \$600.

DEDUCTIBLE

If in one claim for loss or damage, Collision Or Upset, Alteration, Conversion, Concealment or Repossession Expense involved, a \$100 deductible applies to each, but the total deductible from each such combination of losses shall not exceed \$200

SECURED INTEREST PROTECTION DOESN'T PROVIDE COVERAGE

If the loan transaction wasn't entered into in accordance with normal and usual credit standards. **We** don't pay when the lien instrument, at the time of its execution, wasn't legally enforceable and didn't represent a bona fide security transaction entered into in good faith by both parties to secure the repayment of the amount of the total loan amount; If at the date this coverage became effective, payment was more than 30 days past due under the lien instrument covering the manufactured home; For the gas bottles, fuel tanks, steps, skirting, beds, curtains, spreads, drapes, furniture or equipment. **We** don't pay for appliances that have worn out or have been discarded, even if replaced; If the loss is caused by failure or anyone to maintain the manufactured home, its parts and equipment in good working order; Unless the Named Insured has defaulted on the loan and the manufactured home has been repossessed.

GENERAL CONDITIONS OF SECURED INTEREST PROTECTION

OTHER INSURANCE

After we have made a Secured Interest Protection payment, we give up the right to recover the payment from the lienholder or the manufactured home dealer, except for fraudulent actions of the lienholder or manufactured home dealer. We give up the right to recover payment from the Named Insured. In Kansas, Pennsylvania and New York we don't give up the right to recover payment from the Named Insured.

OUR RIGHT TO RECOVER FROM OTHERS

After **we** have made a Secured Interest Protection payment, **we** give up the right to recover the payment from the lienholder or the manufactured home dealer, except for fraudulent actions of the lienholder or manufactured home dealer. **We** give up the right to recover payment from the Named Insured. In Kansas, Pennsylvania and New York **we** don't give up the right to recover payment from the Named Insured.

WHAT TO DO WHEN A LOSS OCCURS

The lienholder or manufactured home dealer must tell us as soon as there is suspicion of or actual knowledge loss has occurred. If the manufactured home has been repossessed, **we** must be told within 30 after repossession. The lienholder or manufactured home dealer must give us, as part of the notice of loss or potential loss, the following:

- ▶ Inspection report prepared at the time of repossession describing the condition of the manufactured home and a listing, in detail, of the parts which are missing;
- ▶ Manufacturer's invoice;
- ▶ Any letters or papers detailing their efforts to locate any item(s);
- ▶ Retail sales contract;
- ▶ Credit application;
- ▶ Detailed description of damage and alterations;
- ▶ All available evidence showing exactly how the manufactured home was equipped and sold;
- ▶ Summary of collection efforts;
- ▶ Statement from the local law enforcement agency to which the loss was reported.

The lienholder or manufactured home dealer must, at its own expense, use every reasonable effort, including litigation, until settlement of the loss: to

- ▶ Secure, protect and preserve the manufactured home from loss;
- ▶ Locate the Named Insured, the manufactured home and any missing parts;
- ▶ Declare the loan in default;
- ▶ Repossess the manufactured home for which any claim is to be made;
- ▶ Collect all amounts.

The lienholder or manufactured home dealer must allow us to review and copy any other books, records and files that will assist us in settling a claim. All losses must be promptly reported to the police.

The General Policy Conditions of the Manufactured Home Policy titled ***What You Must Do In Case of Loss*** do not apply to this endorsement.

The day **we** receive all the required information will be the effective date of claim and all computations will be made as of that day.

The General Policy Conditions of the Manufactured Home Policy apply to the Secured Interest Protection Endorsement unless **we** have already changed it in writing.

Named Insured means the person or persons named on Page One and is not intended necessarily to acknowledge legal title or ownership of the insured property.