

Policy Forms

The following pages are RPM's adaptation of the endorsements available for the AS-1 program. These are replicas of the actual endorsements your customer will receive with his/her new policy. Some are standard with each program, others are elected. Please refer to these as you explain coverage options to your customer or inform your customer about exclusions, standard coverage, definitions, etc.

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Manufactured Home Policy



Aegis Group
P.O. Box 3153
Harrisburg, PA 17105
717.657.9671



AS-1 (05/98)

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*** MANUFACTURED HOME POLICY ***

AEGIS GROUP
A Stock Insurance Company

INTRODUCTION

This policy has been written in readable language to help **you** understand its terms.

As **you** read through the policy, remember the words “**we**”, “**us**” and “**our**” refer to Aegis Group. “**You**”, “**your**”, and “**yours**” mean the Named Insured shown on the Schedule Page and , if an individual, that person’s spouse and relatives if living in the same Manufactured Home.

This policy and the Schedule Page contain the full terms of the agreements between **you** and **us**.

IMPORTANT NOTICE

At the time we issue your policy, or when your policy is renewed, it may be necessary for us to investigate your background. This includes, if appropriate, your character, general reputation, personal characteristics and life style. Public Law 91-508 provides that you are entitled to be advised, in writing, of the complete nature and results of this investigation. To get this information you must request it in writing within a reasonable time after your policy becomes effective.

DEFINITIONS

| | |
|--------------------------|--|
| Actual Cash Value | is defined and calculated by determining the replacement cost of your property and then subtracting depreciation for wear and tear. |
| Animal | means a living organism capable of motion and sensation but excluding a human being. |
| Bodily Injury | means injury, sickness, physical harm, disease, including care, loss of services and death. |
| Business | means any trade, profession, occupation or service, including farming, of an Insured Person . For this definition, business includes any temporary, part-time, or permanent activity engaged in for compensation. |
| Earth Movement | means any loss caused by, resulting from, contributed to or aggravated by earthquake; avalanche; landslide; mine subsidence; mud flow; earth sinking, rising or shifting; volcanic eruption, explosion or effusion of a volcano. |
| Environment | means any air, land, property or structure or the air therein, water or waterway including underground water. |
| Insured Person | <p>means the person named on the Schedule Page and that person's husband or wife or other relatives of your family who live in the same manufactured home and you, yours, and your can mean each or all of you.</p> <p>In addition, IN SECTION II, LIABILITY COVERAGES, Insured Person means:</p> <p>(1) Any person or entity legally responsible for animals or watercraft to which this policy applies. We will cover that person or entity only with respect to those animals or watercraft. We will not cover any person or entity using or having custody of animals or watercraft in the course of a business or without consent of the owner who is not an Insured Person.</p> <p>(2) With respect to any vehicle covered by this policy, any of your resident employees.</p> |
| Insured Premises | <p>means, in SECTION I, the Manufactured Home shown on the Schedule Page, its unattached appurtenant structures on the individual lot, park space, a parcel of land upon which your Manufactured Home is located. This includes your driveway, but not adjoining streets, alleys, public access or any public areas.</p> <p>In SECTION II LIABILITY COVERAGES, Insured Premises means:</p> <p>(1) The same as described in SECTION I.</p> <p>(2) That part of any other premises, other structures, and land used by you as a residence and which is shown on the Schedule Page.</p> <p>(3) Any other premises acquired by you during the term of this policy which you intend to use as a residence premises.</p> <p>(4) Any part of premises which is not owned by an Insured Person but where the Insured Person may be temporarily residing or which an Insured Person may occasionally rent for non business purposes.</p> <p>(5) Vacant land, other than farmland, owned or rented to an Insured Person.</p> <p>(6) Cemetery plots or burial vaults owned by an Insured Person.</p> <p>(7) Land on which a single or two family residence is being built for an Insured Person, if the land is owned by or rented to the Insured Person.</p> |

| | |
|---------------------------|---|
| Loss | means direct, sudden and accidental physical loss or damage. |
| Money | means currency, coins, bank notes or bullion. |
| Motor Vehicle | means: (1) A motorized land vehicle made for use on or off public roads, whether or not licensed for road use. It does not mean a golf cart while used on a golf course for golfing purposes, or lawn and garden equipment while used on insured premises . (2) A trailer or semitrailer made for use on or off public roads. (3) Any vehicle while being towed or carried by one of the above Motor Vehicles . (4) All-terrain vehicles, mopeds, motorcycles, automobiles and snowmobiles. |
| Occurrence | means an accident, including continuous or repeated exposure to substantially the same general harmful conditions which results in bodily injury or property damage during the policy period. |
| Pollutants | means any solid, liquid, gaseous or thermal irritant or contaminate, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed. |
| Property Damage | means physical damage or destruction of tangible property, including loss of its use. |
| Residence Employee | means your employee who does maintenance or other work having to do with the use of the Insured Premises . This does not include an employee of your business . |
| Sinkhole Collapse | means loss to insured property arising out of, or caused by sudden settlement or collapse of the earth supporting your insured property. The settlement or collapse must result from subterranean voids created by the action of water on limestone or similar rock formations. |
| Smoke Damage | means sudden, accidental smoke damage caused by other than from smudging or industrial smoke. It does not mean gradual buildup of any oily or greasy substance or film. |
| Theft | means loss or damage caused by the unlawful taking of property, but not the mysterious disappearance of property where there is no reasonable presumption of unlawful taking. |
| Vehicle Damage | means loss to the property insured caused by any vehicle not owned or used by an Insured Person while the Manufactured Home is not on a public right of way. |

In return for **your** premium **we** agree to provide insurance. Some of the coverages set out below are optional benefits **we** offer. The coverage **you** have bought are shown on the Schedule Page.

SECTION I: PROPERTY COVERAGES

For the coverages **you** have selected, **we** provide insurance for direct, sudden and accidental **losses** to covered types of property due to perils set out below.

Types of Property Covered

We cover the following types of property, if shown on the Schedule Page:

(1) **Coverage A: Your** Manufactured Home shown on the Schedule Page. This includes the parts, accessories and equipment that were originally built into the Manufactured Home and form a permanent part of its structure.

Your Manufactured Home also includes the following:

- (a) Steps connected to the Manufactured Home.
- (b) Oil or gas drums or tanks that are connected to the Manufactured Home and furnish heating or cooking fuel to it.
- (c) Attached Appurtenant Structures including but not limited to carports, awnings, air conditioners, patio covers, porches, cabanas, lean-tos, add-on rooms, carports, roof-overs, and garages that are attached to the Manufactured Home and for which a specific premium charge has been made. Automatic additional coverage equal to 10% of **your** Manufactured Home coverage will be allowed for Attached Appurtenant Structures purchased or constructed after the effective date of the policy. Coverage will apply for a maximum of 60 days after date of purchase and completion.
- (d) Outside radio or television antennas, towers, including satellite receiver systems and all associated components, located outside or inside **your** Manufactured Home or an Attached Appurtenant Structure to the extent of \$250.00.
- (e) The appliances, furniture and equipment that were furnished by the manufacturer or dealer as standard equipment with the Manufactured Home.
- (f) Optional equipment described in the Certificate of Origin or **your** sales invoice.
- (g) Any replacements of standard or optional equipment.
- (h) All water pumps on premises to the extent of \$500.00 in value.

(2) **Coverage B: Unattached Appurtenant Structures** meaning but not limited to utility sheds, pump houses and unattached garages. This does not include barns, or farm or livestock structures. Automatic additional coverage equal to 10% of **your** Manufactured Home coverage will be allowed for Unattached Appurtenant Structures purchased or constructed after the effective date of the policy. Coverage will apply for a maximum of 60 days after the date of purchase and completion.

(3) **Coverage C: Your Personal Property** meaning household and other items usual or incidental to the use of the Manufactured Home as **your** dwelling. These items are covered while they are on the **Insured Premises**. For Items located elsewhere **you** may apply up to 10% of the Personal Property Coverage limit, but this does not increase the coverage limit shown on the Schedule Page. At **your** request, in writing, **we** will also cover the Personal Property of a guest (other than a roomer or boarder) or a **residence employee** while on the **Insured Premises**. Items are not covered while being mailed or shipped. Personal Property does not include Appurtenant Structures.

Property Not Covered

We do not cover the following types of property:

- (1) Aircraft, farm machinery, **motor vehicles** (including their parts and accessories other than those used only to maintain the **Insured Premises**), golf carts, mopeds, campers, trailers, watercraft or their equipment.
- (2) Items carried or held as samples or for sale or delivery after sale.
- (3) **Animals**, birds, fish.
- (4) Business property including tools, equipment and supplies used in connection with **your business** or occupation.
- (5) Manufactured Homes rented to others unless shown on Schedule Page.
- (6) Property specifically covered by other insurance.
- (7) Swimming pools, equipment, accessories, and supplies.

Special Limits on Certain Personal Property

We limit the amount **we** will pay for **loss** of Certain Personal Property resulting from **theft**. These limits do not increase the limits for **your** Personal Property.

The special limit for each numbered category below is the total limit for each **loss** for all property in that category.

- (1) \$100 on bank notes, bullion, gold other than goldware, silver other than silverware, and precious metals.
- (2) \$500 on Fine Arts including art, ceramics, china, antiques, heirlooms, paintings and similar articles of rarity or antiquity which cannot be replaced.
- (3) \$500 for cameras, camcorders, or camera equipment.
- (4) \$500 for jewelry, watches and other timepieces, furs, precious and semiprecious stones.
- (5) \$1,000 for tools.
- (6) \$1,000 for silverware, silver-plated ware, goldware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- (7) \$1,000 for guns and related accessories.
- (8) \$1,000 for musical instruments. This limitation does not apply to pianos and organs.
- (9) \$2,500 for computers, software or accessories.

We also limit the amount **we** will pay for **loss** of certain Personal Property resulting from any covered peril. These limits do not increase the limits for **your** Personal Property. The special limit for each numbered category below is the total limit for each **loss** for all property in that category.

- (1) \$100 on **money**.
- (2) \$500 on philatelic, card, memorabilia, and numismatic collections, collectibles, and related accessories, but not to exceed \$100 for any single item.
- (3) \$500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, personal records, passports, manuscripts, and tickets. This limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

Perils We Insure Against

We will pay for sudden and accidental **loss** against the following perils, if shown on the Schedule Page:

- (1) **Open Perils.** **We** will pay for direct physical **loss** to **your** insured property, subject to certain limitations and exclusions.
- (2) **Named Perils.** **We** will pay for direct physical **loss** to **your** insured property caused by fire, lightning, **theft**, windstorm, tornado, hail, explosion, **vehicle damage**, **smoke damage**, vandalism, malicious mischief, riot, civil commotion, missiles, aircraft, falling objects, accidental discharge or overflow of water or steam from within a plumbing or heating system, freezing of plumbing, heating or air-conditioning systems, collapse of buildings or any part thereof, sudden and accidental discharge of water from a burst plumbing, heating or air-conditioning system, glass breakage, weight of ice, snow or sleet, subject to certain limitations and exclusions.

Supplemental Coverages

The following coverages are provided without extra premium and without a deductible when **we** insure **your** Manufactured Home:

- (1) **Coverage D: Additional Living Expenses** – If **you** are not able to live in **your** Manufactured Home due to a covered **loss**, **we** will pay up to 10% of **your** Manufactured Home limits. **We** will pay the increased amount necessary to continue as nearly as practicable the normal standard of living of **your** household for a time period not to exceed the lesser of:
 - (a) A reasonable amount of time to repair or replace **your** damaged property;
 - (b) The time required for **you** to become settled in permanent quarters;
 - (c) The time between the date of **loss** and 7 days after the company makes an offer of final settlement.

You must provide receipts of **your** expenses at **our** request.

- (2) **Fire Department Service Coverage – We** will pay up to \$250 for charges, if any, each time the fire department is called to save or protect **your Insured Premises**.
- (3) **Emergency Removal Coverage –** When it is expected that **your** Manufactured Home may be damaged by a covered peril, **we** will pay up to \$300 of the cost of removal and return expenses to protect the Manufactured Home.
- (4) **Trees, Shrubs, Plants and Lawns – We** will pay up to \$200 for trees, shrubs, plants and lawns on the **Insured Premises** other than those grown for **business** reasons.

We will cover these items only against **loss** by fire, lightning, civil commotion, vandalism or falling objects. **We** will not pay more than \$100 for any one lawn or tree. **We** will not pay more than \$25 for any one plant or shrub.

- (5) **Debris Removal – We** will cover **your** incurred expense up to 3% of **your** Manufactured Home limits (not over \$500) for the cost of removing debris caused by **loss** from a covered peril.
- (6) **Credit Card, Forgery, Counterfeit Money, and Phone Cards – We** will pay up to \$500 for:
 - (a) **Your** legal duty to pay losses due to the loss or unauthorized use of **your** credit card(s), phone card(s) and fund transfer card(s). **We** do not cover use by a member of **your** household or a person to whom **you** have given the card(s). This coverage does not apply if **you** have not complied with all terms and conditions under which the cards are issued.
 - (b) **Your loss** caused by forgery or alteration of any check or negotiable instrument.
 - (c) **Your loss** through good faith acceptance of counterfeit United States or Canadian currency.
 - (d) **Your** reasonable legal expense when suit is brought against **you** for someone else's unauthorized use of **your** credit cards, phone cards and fund transfer cards or forgery or alteration of **your** checks, drafts, notes or similar written promises. **Our** payment for these expenses is in addition to any other amount **we** may pay for these **losses**.

We do not pay for a **loss** arising out of **your business** or the dishonesty of an **Insured Person**.

Supplemental Coverage for Tenants

If you are a tenant, we provide **you** without additional charge the following coverages:

- (1) Additional Living Expense – If the Manufactured Home **you** reside in is made uninhabitable due to a covered **loss, we** will pay up to 20% of **your** Personal Property limits shown on the Schedule Page, for any necessary increase in living expenses so that **your** household can maintain its normal standard of living. Conditions are the same as those for the Additional Living Expenses Coverage for owner-occupied Manufactured Homes.
- (2) Credit Card, Forgery, and Counterfeit **Money** – See item 6 above.

General Exclusions and Conditions

We do not pay for **loss** to the types of property covered under this policy caused 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** or damage due and confined to wear and tear, gradual deterioration, neglect, rust, wet/dry rot, mold, contamination, birds, vermin, rodents, insects, domestic **animals**, inherent vice, mechanical or electrical breakdown or failure, manufacturer or workmanship defect, power surges, brownout or latent defect.
- (2) **Animals** which **you** own or possess.
- (3) Gradual, continuous or repeated leakage (occurring over a period of weeks, months or years) of water or steam from a plumbing system, heating unit, air conditioner, or home appliance unless the result of a covered peril.
- (4) Accidental discharge or overflow of water or steam from within a plumbing, heating or air-conditioning system if the Manufactured Home had been vacant or unoccupied beyond a period of 30 consecutive days immediately preceding the **loss**. The repairs to the system are excluded unless the damage is the result of a covered peril.
- (5) Water which backs up through sewers or drains or from below the surface of the ground.
- (6) Mysterious disappearance.
- (7) Disappearance of a precious or semiprecious stone from its setting.
- (8) Mechanical, electrical or utility failures unless the result of a covered peril.
- (9) Leaking into the Manufactured Home or Appurtenant Structures caused by rain, snow, sleet, ice damming, ice break-up, freezing and thawing effect. This is excluded whether wind driven or not, unless the leaking is caused by a covered peril and exterior damage that is the apparent cause of leaking is present.
- (10) The enforcement of any law as to building, repair, moving or occupancy of the Manufactured Home or Appurtenant Structures.
- (11) War, including undeclared war, rebellion, revolution, or a warlike act by military personnel.

- (12) Nuclear action or reaction, radiation or radioactive contamination. However we will cover **loss** by fire resulting from the nuclear hazard.
- (13) Collision or upset of **your** Manufactured Home while it is in transit.
- (14) **Loss** to Insured Property:
 - (a) Resulting from Intentional acts by an **Insured Person** or anyone who has legal possession of the property, such as Land Contract Holder, tenant or any occupant.
 - (b) While **your** property is rented or used for **business** purposes.
 - (c) At any other premises owned, rented or used by **you** unless **you** are temporarily living there. **Loss** by **theft** as a result of repeated entry and taking of property within a 24-hour period will be considered as one **loss**.
 - (d) Arising out of the illegal acts of an **Insured Person** and any damage committed during any criminal act of an **Insured Person**.
 - (e) Due to vandalism; malicious mischief; irresponsible, careless or unsanitary acts or practices by a tenant; members of the tenant's household or the tenant's employees.
- (15) **Loss** to tires, wheels or axles, except **loss** caused by fire.
- (16) **Smoke damage** from a fireplace, supplemental heating device, farm smudging or industrial smoke.
- (17) Electrical current artificially generated, to tubes, transistors or similar electronic components.
- (18) Settling, cracking, shrinkage, bulging or expansion unless the result of a covered peril.
- (19) Collapse to outdoor equipment, fences, pavement, patio, swimming pools, underground pipes, flues, drains, cesspools and septic tanks, foundations, retaining walls, bulkheads, piers, wharves or docks, all except as direct result of the collapse of a building.
- (20) Falling objects unless the building covered or containing the property first sustains actual damage to the exterior of the roof or walls by the falling objects. Outdoor equipment, awnings and fences are excluded.
- (21) **Theft** in or to a dwelling under construction or of material or supplies until completed and occupied.
- (22) **Theft** of Personal Property on any **motor vehicle**, trailer or watercraft.
- (23) **Theft** of Personal Property in any **motor vehicle**, trailer, or watercraft, unless there is forcible entry while all its doors, windows and other openings are closed and locked, and there are visible signs of forcible entry.
- (24) Contributed to or aggravated by any of the following: flood, surface water, waves, tidal water or tidal waves, overflow of any stream or other body of water, or spray from any of the foregoing, all, whether driven by wind or not.
- (25) **Loss** to the property described in **Types of Property Covered** (1), (2), and (3) caused directly by **earth movement**; unless direct **loss** by:
 - (a) Fire;
 - (b) Explosion other than explosion of a volcano; or
 - (c) Breakage of glass or safety glazing material which is a part of a building, storm door or storm window, ensues and then **we** will pay only for the ensuing **loss**.
This provision does not apply to **loss** to covered property which is caused by **sinkhole collapse**. **We** will cover direct physical **loss** to **your** Manufactured Home, Appurtenant Structures, or Personal Property which is caused by **sinkhole collapse**. **We** will not cover the cost of filling sinkholes.
- (26) Damage by **motor vehicles** operated by an **Insured Person**.
- (27) Release, penetration, discharge, dispersal, seepage, migration or escape of **pollutants** or contaminants into the **environment**, including damage by chemicals no matter how caused.
- (28) the failure of power or other utility service if the failure takes place off of the **insured premises**.

We do not pay for **loss** to the types of property covered under this policy caused by any of the following. However, any ensuing **loss** to this property not excluded or excepted in this policy is covered.

- (1) Weather conditions:
However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in the General Exclusions above to produce the **loss**.
- (2) Acts, decisions or the failure to act or decide by any person, group, organization, or governmental body.
- (3) Faulty, inadequate, or defective:
 - (a) planning, zoning, development, surveying or siting.
 - (b) design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction.
 - (c) material used in repair, construction, renovation or remodeling.
 - (d) maintenance of part or any property, whether on or off the **insured premises**.

RIGHTS AND DUTIES - CONDITIONS APPLYING TO SECTION I

WHAT YOU MUST DO IN CASE OF VACANCY OR UNOCCUPANCY OF YOUR MANUFACTURED HOME

It is **your** duty to notify **us** within 60 days after your Manufactured Home has been left vacant, and/or 120 days after it has been unoccupied. If **you** do not notify **us** in writing within the above specified time, all coverages provided by this policy will be suspended until written notice has been received.

LIMITS OF LIABILITY

The most **we** will pay for **loss** or damage in any one occurrence is shown on the Schedule Page for each kind of property insured. **Our** payment shall not exceed the lowest of:

- (1) The actual cash value of the property just before the **Loss**; or
- (2) The difference between the actual cash value just before and just after the **Loss**; or
- (3) The cost to repair or replace the property; or
- (4) The limits of liability on the Schedule Page.

METHOD OF SETTLEMENT FOR OTHER THAN HAIL LOSS

In the event of a covered **loss**, **we** will pay for the **loss** or repair or replace the covered property, based upon **Actual Cash Value**. **Actual Cash Value** is calculated by determining the replacement cost of **your** property and then subtracting depreciation for wear and tear. **Our** method of settlement is as follows:

- (1) When the damage to **your** property can be economically repaired, **we** will determine the cost of repairing **your** damage, less reasonable deduction for wear and tear, deterioration and obsolescence; OR
- (2) When the damage to **your** property cannot be economically repaired, it is the market value of available, identical property, less reasonable deduction for wear and tear, deterioration and obsolescence; OR
- (3) When the **loss** to **your** property creates a total **loss**, it is market value of like kind and quality property in a used condition equal to that of destroyed property, if reasonably available on the used market

We may return stolen property at any time before the **loss** is paid or the property replaced. **We** may settle any claim with **you** or the lender. When **we** replace or pay for property it becomes **ours**. **We** do not cover the property or interest of others unless they are provided for in this policy and are included in **your** proof of **loss**.

METHOD OF SETTLEMENT FOR HAIL LOSS

The amount **we** will pay for **loss** or damage from hail is subject to the following:

- (1) For structural loss, meaning the actual penetration of the exterior surface or the cracking or breaking of support materials, the amount we pay will be the lower of:
 - (a) the cost of repairing or replacing the damaged portion of the property; or
 - (b) the limit of liability applying to **your** Manufactured Home.
- (2) For nonstructural **loss**, the amount **we** pay will be the lower of:
 - (a) the cost of repairing or replacing the damaged portion of the property; or
 - (b) the difference between the Actual Cash Value of the damaged property before and after the **loss**.

SETTLEMENT FOR PAIRS OR SETS

Our settlement options for **loss** to a pair, set, series of objects, pieces or panels, inside or outside are:

- (1) To pay the reasonable cost entailed in matching the remaining undamaged panels as closely as possible;
- (2) To pay the reasonable cost of providing an acceptable decorative effect or utilization as circumstances may warrant;
- (3) To pay the difference between the actual cash value of the pair or set before and after the **loss** if the materials are unavailable or obsolete.

We cannot guarantee the availability and are not liable when a piece or panel is damaged for the value, repair or replacement of the entire series of pieces or panels.

DEDUCTIBLE

Some **losses** are subject to deductible amounts as shown on the Schedule Page or elsewhere in this policy. When **your loss** is the deductible amount or less, **you** pay it all. When **your loss** is more than the deductible, **you** pay the deductible; **we** pay the rest up to the limit of liability for that type of property. The deductible may vary by coverage. Only one deductible amount will be applied to a **loss** from one event; however, if there is more than one manufactured home insured by this policy, the deductible shall apply separately to each manufactured home for a **loss** from one event.

CHANGE OF LOCATION

If **you** move **your** Manufactured Home, **you** must notify **us** in writing within 30 days.

PAYMENT OF LOSS

When **you** have a covered **loss**, **we** will pay you within 60 days after the **loss** amount has been determined; and **you** have filed a proper proof of **loss**.

APPRAISALS

If **you** and **we** cannot agree on the amount of **loss**, either of **us** may request a formal appraisal. The party making the request must notify the other party in writing. Each of **us** then selects a competent, independent appraiser, and must notify the other party of the appraiser's identity within 20 days after the written request for appraisal is received. The appraiser shall determine the **loss** amount and notify both of **us** in writing. If the appraisers are unable to agree, they select a competent, impartial umpire. If they cannot agree upon an umpire within 20 days, **you** or **we** may ask a judge of a court of record in the state to select an umpire. The differences are submitted to the umpire. The written agreement signed by any two of the three will be binding on **you** and **us**. Each of **us** pays the cost of his own appraiser. **We** equally share the cost of the umpire.

OTHER INSURANCE

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. This insurance is excess over any other insurance that covers **loss** of Personal Property specifically covered under other insurance.

INSURABLE INTEREST AND OUR LIABILITY LENDER'S INTEREST

In the event of a **loss**, **we** will not pay for more than **your** insurable interest in the property covered, or more than the amount of coverage afforded by this policy.

The lender is the party that loaned **you money** on **your** Manufactured Home. If a lender is named on the Schedule Page, any **loss** will be paid to **you** and the lender as **your** and their interest may appear. **You** must tell **us** when **you** pay off the lender. If **your** interest in the Manufactured Home is terminated, **our** payment will recognize only the lender's interest. No change in title or ownership of **your** Manufactured Home or any acts of **yours** will affect the lender's interest in this policy. **You** or the lender must let **us** know of any change of ownership or any increase in hazard which **you** or the lender know about. If an increase in hazard requires an additional premium, **you** must pay the additional premium.

If **you** fail to pay any premium due for this policy, **your** lender may be requested to pay that premium. If **you** fail to give **us** sworn proof of **loss** within 90 days, the lender has another 30 days to do so.

ABANDONED PROPERTY

We are not obliged to accept abandoned property.

AUTOMATIC REINSTATEMENT

A covered **loss** to **your** property reduces the limit of insurance by the amount of the **loss**. Upon repair or replacement of the damaged property the limit of insurance will return to the limit applicable prior to the **loss**.

NO BENEFIT TO BAILEE

A bailee is a person or entity (other than **you**) to whom **you** have given possession of insured property. **We** will not honor an assignment nor extend coverage to a bailee.

SUIT AGAINST US

You may not sue **us** on this policy unless **you** have complied fully with all of the terms. Suit must be brought within one year after the **loss**.

WHAT YOU MUST LOSS

As soon as possible after a covered **loss** occurs, but within 60 days of **loss**, unless extended by **us** in writing, **you** must:

- (1) Notify **us** or **our** agent with the following data:
 - (a) **your** name and policy number,
 - (b) the time, place and details of the accident or **loss**,
 - (c) if the **loss** is under the Credit Card Supplemental Coverage, also notify the Credit Card Company.
- (2) If the **loss** is a **theft**, report it to the police within 24 hours after **you** discover the **theft**.
- (3) Protect damaged property from further damage. If **you** fail to do so, **we** will not pay for further damage. **We** will pay **you** for **your** reasonable expenses incurred to protect **your** property.
- (4) Let **us** examine **you** under oath. **You** must provide **us** with signed statements and submit to examinations under oath as **we** may reasonably require. **You** must give **us** personal records such as tax records, bank statements, sales receipts, and an inventory of damaged property showing the quantity, description, value and amount of **loss** at **our** request.
- (5) Give **us** the opportunity to inspect and appraise damage before it is repaired or replaced. Emergency repairs may be arranged without affecting **your** coverage.
- (6) **You** must send to **us**, within 60 days after **our** request, **your** signed, sworn proof of **loss** which sets forth to the best of **your** knowledge and belief:
 - (a) the time and cause of **loss**;
 - (b) the interest of the **Insured Person** and all others in the property involved and all liens on the property;
 - (c) other insurance which may cover the **loss**;
 - (d) changes in title or occupancy of the property during the term of the policy;
 - (e) specifications of damaged property and detailed repair estimates.

SECTION II – LIABILITY COVERAGES

COVERAGE E: PERSONAL LIABILITY COVERAGE

If a claim is made or a suit is brought against **you** for damages because of **Bodily Injury** or **Property Damage** arising out of an **occurrence**, **we** will

- (1) Pay up to **our** liability limit for the damages for which **you** are legally liable; and to which this insurance applies.
- (2) Provide a defense at **our** expense by counsel of **our** choice even if the suit is groundless, false, or fraudulent. **We** may make any investigation and settle any claim or suit. **Our** obligation to defend any claim or suit ends when the amount **we** pay for damages resulting from the **loss** equals **our** liability limit.

COVERAGE F: MEDICAL PAYMENTS TO OTHERS COVERAGE

We will pay, up to limits shown on the Schedule Page, the necessary medical expenses incurred and reported to **us** within 1 year from the date of an accident causing **Bodily Injury**. Medical expenses means reasonable charges for medical, ambulance, and funeral services. This coverage does not apply to **you** or regular residents of **your** household other than **Residence Employees**. As to others, this coverage applies only:

- (1) To a person on the **Insured Premises** with **your** permission; or

- (2) To a person off the **Insured Premises**, if the **Bodily Injury**:
- (a) Arises out of a condition of the **Insured Premises** or the ways immediately adjoining;
 - (b) is caused by **your** activities;
 - (c) is caused by a **Residence Employee** in the course of employment by **you**; or
 - (d) is caused by an **animal** owned by **you** or in **your** care.

ADDITIONAL COVERAGES

We will cover the following in addition to the Personal Liability limit:

- (1) Damage to Property of Others. **We** will pay up to \$250 per **occurrence** for **Property Damage** to property of others caused by **you**. **We** will not pay for **Property Damage**:
- (a) To property covered under Section I of this policy;
 - (b) Caused intentionally by any **Insured Person** who is 13 years of age or older;
 - (c) To property owned by or rented to **you**, a tenant of **yours**, or a resident in **your** household; or
 - (d) Arising out of or in connection with:
 - (i) **Business** pursuits; or
 - (ii) Any act or omission in connection with a premise owned, rented or controlled by you, other than the **Insured Premises**; or
 - (iii) The ownership, maintenance or use of aircraft, watercraft or a **Motor Vehicle** other than one used only to maintain the **Insured Premises**.
- (2) Claim expenses. **We** pay:
- (a) Expenses incurred by **us** and costs taxed against **you** in any suit **we** defend;
 - (b) Premiums on bonds required in a suit defended by **us**, but not for bond amounts greater than **our** liability limit. **We** are not obligated to apply for or furnish any bond;
 - (c) Reasonable expenses incurred by **you** at **our** request, including actual **loss** of earnings, up to \$50 per day for assisting **us** in the defense of any suit;
 - (d) Interest on the entire judgement which accrues after entry of the judgement and before **we** pay or tender, or deposit in court that part of the judgement which does not exceed **our** liability limit.
- (3) First Aid Expenses. **We** will pay expenses for first aid to others caused by an **Insured Person** for **bodily injury** covered under this policy. **We** will not pay for first aid to **you** or any other **Insured Person**.

EXCLUSIONS

- (1) Under Personal Liability Coverage and Medical Payments to Others Coverage **we** do not cover **Bodily Injury** or **Property Damage**:
- (a) Arising out of any willful or malicious act or omission by any person. **We** also will not cover claims for acts or omissions of any person which are intended to result in **bodily injury** or **property damage**, or which would be expected by a reasonable person to result in **bodily injury** or **property damage**.
 - (b) Arising out of or in connection with:
 - (i) A **business** engaged in by an **Insured Person**. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the **business**.
 - (ii) The rental or holding for rental of any part of any premises by an **Insured Person**. This exclusion does not apply to the rental or holding for rental of an **insured premises** on an occasional basis if used only as a residence.
 - (c) Arising out of the rendering or failing to render professional services.
 - (d) Arising out of any premises owned or rented to **you** which is not an **Insured Premises**:
 - (e) Arising out of the ownership, maintenance, use, loading or unloading of:
 - (i) An aircraft;
 - (ii) A **Motor Vehicle** (other than one while being used to maintain the **insured premises**) owned or operated by, or rented or loaned to **you**; or
 - (iii) A watercraft owned or operated by, or rented or loaned to **you** if the aircraft:
 - (A) Has inboard or inboard-outboard motor power with more than 25 total horsepower; or
 - (B) Is a sailing vessel with or without auxiliary power, 26 feet or more in overall length; or
 - (C) Is powered by one or more outboard motors with more than 25 total horsepower; or
 - (D) Is a personal motorized watercraft including, but not limited to jet skis, or other similar watercraft.

- (f) Caused by discharge of any nuclear weapon (even if accidental), war (declared or not), civil war, insurrection, rebellion, revolution, riot or civil commotion, or any consequence of any of these.
- (g) Arising out of the movement of the Manufactured Home on any public or private right of way or operations of setup or movement.
- (h) Arising out of the transmission of a communicable disease by an **Insured Person**.
- (i) Arising out of the rendering of home day care services.
- (j) Arising out of any violation of a criminal law either by or with the knowledge or consent of an **Insured Person**, regardless of whether that person is actually charged with or convicted of a crime.
- (k) Arising out of the use, possession, manufacture, sale, delivery, or transfer by any person of a controlled substance as defined by the Federal Food & Drug Administration. Controlled substances include, but are not limited to, marijuana, cocaine, LSD and all narcotic drugs. This does not apply to legitimate use of prescription drugs as directed by a licensed physician.
- (l) Any **loss** or expense including cleanup costs resulting from asbestos or asbestos-containing material.
- (m) Any **loss** or expense including cleanup costs resulting from the toxic properties of lead or lead-containing products, materials or substances. This exclusion applies to all forms of lead including, but not limited to, solid, liquid, vapor or fumes. This exclusion also applies to any **loss**, cost or expense arising out of any request, demand or order from anyone including any government authority to test for, monitor, cleanup, abate, remove, contain threat, detoxify or neutralize or in any way respond to or assess the effects of lead.
- (n) **Bodily Injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by **you** under any worker's compensation, non occupational disability, or occupational disease law.

Exclusions (d) and (e) do not apply to **Bodily Injury** to any **Residence Employee** arising out of and in the course of the **Residence Employee's** employment.

(2) Personal Liability Coverage does not apply to:

- (a) Liability assumed under any contract or agreement in connection with any **business of yours**;
- (b) **Property Damage** to property owned by **you**;
- (c) **Property Damage** to property rented to, occupied or used by **you** or in **your** care, custody or control. This exclusion does not apply to **Property Damage** caused by fire, explosion, smoke or smudging resulting from the sudden, unusual or faulty operation of any heating or cooking unit.
- (d) **Bodily Injury** to persons residing in **your** household, other than **Residence Employees**;
- (e) **Bodily Injury** for persons eligible for benefits required to be or voluntarily provided by **you** under any workers compensation, non occupational disability or occupational disease law.
- (f) Claims, costs or awards for punitive or exemplary damages;
- (g) **Bodily Injury** or **property damage** in excess of \$2,500 arising out of the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**:
 - (i) at or from premises owned, rented or occupied by **you**;
 - (ii) at or from any site or location used by or for **you** or others for the handling, storage, disposal, processing or treatment of waste;
 - (iii) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for **you** or any person or organization for whom **you** may be legally responsible; or
 - (iv) at or from any site or location on which **you** or any contractors or subcontractors working directly or indirectly on **your** behalf are performing operations;
 - (a) if the pollutants are brought on or to the site or location in connection with such operations; or
 - (b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**.
 - (v) to any **loss**, cost or expense arising out of any governmental direction or request that **you** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.

This limitation does not apply to **bodily injury** or **property damage** caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

(3) Medical Payments to Others Coverage does not apply to **Bodily Injury**;

- (a) To a **Residence Employee** if it occurs off the **Insured Premises** and does not arise out of or in the course of, the **Residence Employee's** employment;
- (b) To any person eligible for benefits required to be or voluntarily provided under any worker's compensation, non occupational disability or occupational disease law.
- (c) To any person, other than a **Residence Employee** of an **Insured Person** regularly residing on any part of the **Insured Premises**.

RIGHTS AND DUTIES – CONDITIONS APPLYING TO SECTION II

WHAT YOU MUST DO IN CASE OF LOSS

In case of an accident or **occurrence** an **Insured Person** shall perform the following duties that apply. **You** shall cooperate with **us** in seeing that these duties are performed:

- (1) Give written notice to **us** or **our** agent as soon as practicable. The notice must state:
 - (a) The identity of the policy and **Insured Person**;
 - (b) Reasonably available information on the time, place and circumstances of the accident or **occurrence**; and
 - (c) Names and addresses of any claimants and available witnesses.
- (2) Forward to **us** every notice, demand, summons or other process relating to the accident or **occurrence**.
- (3) At **our** request, assist in:
 - (a) Making settlement;
 - (b) The enforcement of any right of contribution or indemnity against any person or organization who may be liable to any **Insured Person**.
 - (c) The conduct of suits and attend hearings and trials; and
 - (d) Securing and giving evidence and obtaining the attendance of witnesses.
- (4) Under the coverage – Damage to Property of Others – submit to **us** within 60 days after the **loss**, a sworn statement of **Loss** and exhibit the damaged property , if within an **Insured Person's** control.
- (5) An **Insured Person** shall not, except at the **Insured Person's** own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the **Bodily Injury**.

DUTIES OF AN INSURED PERSON – MEDICAL PAYMENTS TO OTHERS COVERAGE LIABILITY LIMIT

The injured person or someone acting on behalf of the injured person shall:

- (1) Give **us** written proof of claim, under oath if required, as soon as practicable;
 - (2) Execute authorization to allow **us** to obtain copies of medical reports and records; and
 - (3) Submit to physical examination by a physician selected by **us** when and as often as **we** reasonably require.
- Regardless of the number of **Insured Persons**, claims made or persons injured, the most **we** will pay under the Personal Liability Coverage stated in this policy for all damages resulting from any one **occurrence** is the liability limit for this Coverage as stated on the Schedule Page. All **Bodily Injury** and **Property Damage** resulting from any one accident or from continuous or repeated exposure to substantially the same general conditions shall be considered the result of one **occurrence**. The coverage amount is also the aggregate limit for all **occurrences** during the policy period. The most we will pay under the Medical Payments to Others Coverage for all medical expense payable for **Bodily Injury** to one person as the result of one accident is the liability limit for this Coverage as stated on the Schedule Page.

SEVERABILITY OF INSURANCE

This insurance applies to each **Insured Person** against whom claim is made or suit is brought. This will be subject to the limit of liability and will not increase **our** liability limit arising out of any one **occurrence**.

PAYMENT OF CLAIM – MEDICAL PAYMENTS TO OTHERS COVERAGE

Payment under this coverage is not an admission of liability by any **Insured Person** or **us**.

SUIT AGAINST US

No action shall be brought against **us** unless there has been compliance with the policy provisions. No one shall have any right to join **us** as a party to any action against any **Insured Person**. Further, no action with respect to the Personal Liability Coverage shall be brought against **us** until the obligation of the **Insured Person** has been determined by final judgment or agreement signed by **us**.

BANKRUPTCY OF ANY INSURED PERSON

Bankruptcy or insolvency of any **Insured Person** shall not relieve **us** of any of **our** obligations under this policy.

OTHER INSURANCE – PERSONAL LIABILITY COVERAGE

This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the liability limits that apply in this policy.

RIGHTS & DUTIES – CONDITIONS APPLYING TO SECTIONS I & II

DECLARATIONS

By accepting this policy **you** agree that the statements on the Schedule Page are **your** agreements and representations. This policy is issued in reliance upon the truth of **your** representations. It includes all agreements existing between **you** and **us** or any of **our** agents.

CONCEALMENT OR MISREPRESENTATION

This policy is void as to all **Insured Persons** defined in the definitions if any person so defined intentionally conceals or misrepresents any material fact or circumstances or makes false statements or engages in fraudulent conduct relating to this insurance either before or after a **loss**. If this policy is void, all premiums paid will be refunded since no coverage exists under this policy.

LIBERALIZATION CLAUSE

If **we** revise the policy form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in **your** state.

WAIVER OR CHANGE OF POLICY PROVISIONS – ASSIGNMENT

This policy contains all the agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**. If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change. **Our** request for an appraisal or examination shall not waive any of **our** rights. Assignment of **your** interest in this policy shall not bind **us** unless **we** give **our** written consent.

POLICY PERIOD

This policy applies only to **Loss** which occurs during the policy period. The policy period is shown on the Schedule Page between the “From” and “To” dates.

TERRITORY

This policy applies only while the Manufactured Home is within the United States or Canada, or is being transported between ports thereof.

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 only for the reasons stated below by notifying **you** in writing of the date cancellation takes effect. This cancellation notice may be delivered to **you** or mailed to **you** at **your** address shown on the Schedule Page or the last address known to **us** or **our** authorized agent. Proof of mailing will be sufficient proof of notice.
 - (a) When **you** have failed to pay the premium by the due date, whether payable to **us** or to **our** agent or under any finance or credit plan, **we** may cancel by notifying **you** at least 10 days before the cancellation takes effect.
 - (b) When this policy has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel for any reason by notifying **you** at least 10 days before the cancellation takes effect.
 - (c) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with **us**, we may cancel only for one or more of the following reasons by notifying **you** at least 30 days before the cancellation takes effect.
 - (i) This policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by **us**;
 - (ii) There has been a substantial change or increase in hazard in the risk assumed by **us** subsequent to the date the policy was issued;
 - (iii) There is a substantial increase in hazard insured against by reason of willful or negligent acts or omissions by **you**; or
 - (iv) For any other reason approved by the State Department of Insurance.
- (3) If **your** policy is cancelled by **you**, or by **us**, **we** will return no more than the prorated unused share of **your** premium.
- (4) Any return premium will be refunded within a reasonable time after the date cancellation takes effect.

DEATH

If **you** die, this policy will continue in force for the remainder of the time between the "From" and "To" dates shown on the Schedule Page. This policy will continue only for other members of **your** family entitled to coverage at the time of **your** death, or for **your** legal representative.

BANKRUPTCY OF ANY INSURED PERSON

Bankruptcy or insolvency of any **Insured Person** shall not relieve **us** of any of **our** obligations.

NOTICE TO AGENT

Your notice to **our** agent will be deemed to be notice to **us**.

OUR RIGHT TO RECOVER PAYMENT FROM OTHERS

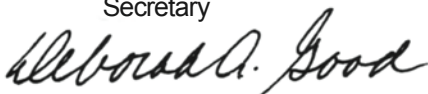
You or anyone else **we** pay under this policy may have the right to recover all or part of a **loss** from someone else. Once **we** pay **your** claim, this right of recovery will belong to **us**. Therefore, **you** or the person **we** pay must do everything possible to preserve **our** rights to collect. Before a **loss** occurs, **you** may waive in writing all rights of recovery against any person.

POLICY CONFORMED TO STATUTE

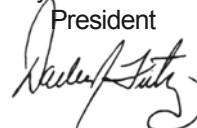
Any terms of this policy which are in conflict with the statutes of the state where issued are amended to conform to the minimum requirement of the statutes.

IN WITNESS WHEREOF, Aegis Group has caused this policy to be signed by its President and Secretary and countersigned on the Schedule Page by a duly authorized representative of the Company.

Secretary



President



Additional Insured Name and Address of Person or Organization

Insured Premises Interest

Insured Person The definition of Insured Person in this policy includes the person or organization named above with respect to:

SECTION I: Insured Premises and

SECTION II: Personal Liability and Medical Payments to Others but only with respect to the Insured Premises.

This coverage does not apply to Bodily Injury to any employee arising out of or in the course of the employee's employment by the person or organization.



SCHEDULED PERSONAL PROPERTY ENDORSEMENT For an additional premium we cover the classes of personal property indicated by an amount of insurance. We cover the classes of personal property indicated below by a limit. This coverage is subject to all policy terms that apply to the property coverage unless amended by this endorsement.

| Class of Personal Property | Amount of Insurance | Premium |
|---|---------------------|---------------------|
| 1. Bank Notes, bullion, gold other than gold ware, silver other than silverware, and precious metals. | \$ | \$ |
| 2. Fine Arts including art, ceramics, china, antiques, heirlooms, paintings and similar articles of rarity or antiquity which cannot be replaced. | | |
| 3. Cameras, camcorders or camera equipment. | | |
| 4. Jewelry, watches and other timepieces, precious and semi-precious stones. | | |
| 5. Furs. | | |
| 6. Tools. | | |
| 7. Silverware, silver-plated ware, gold ware and pewter ware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter. | | |
| 8. Guns and related accessories. | | |
| 9. Musical Instruments. This limitation does not apply to pianos and organs. | | |
| 10. Philatelic property. | | |
| 11. Numismatic property. | | |
| 12. Cards, memorabilia, and collectibles. | | |
| Schedule | | |
| Article | Description | Amount of Insurance |
| | | |

NEWLY ACQUIRED PROPERTY

With respect to jewelry, watches and other timepieces, furs, precious and semi precious stones, cameras, camcorders or camera equipment, and musical instruments, we cover newly acquired property of a class of property already insured for an amount not to exceed 25% of the amount of insurance for that class of property or \$10,000, whichever is less; provided the **Insured Person** reports this newly acquired property to us within 30 days of acquisition and pays the additional premium from the date acquired.

When Fine Arts are scheduled, we cover other objects of art acquired during the policy period for their actual cash value but no more than 25% of the amount of insurance for fine arts scheduled, provided the **Insured Person** reports these objects to us within 90 days of acquisition and pays the additional premium from the date acquired.

PERILS INSURED AGAINST

We insure for open perils of physical loss to the property as described except:

1. If Fine Arts are covered:

- a. damage caused by repairing, restoration or retouching process;
- b. breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles. We cover loss by breakage if caused by fire, lightning, aircraft, windstorm, malicious damage, theft, explosion, earthquake, flood or collision, derailment or overturn of conveyance.
- c. loss to property on exhibition at fair grounds or premises of national or international expositions unless the premises are covered by this policy.

2. If either of the classes of property, Philatelic Property or Numismatic Property are covered:

- a. fading, creasing, denting, scratching, tearing, thinning, transfer of colors, inherent defect, dampness, extremes of temperature, gradual depreciation, or any damage from handling or being worked upon;
- b. disappearance of individual stamps, coins or other articles unless the item is described and scheduled with a specific amount of insurance, or if the item is mounted in a volume and the page to which it is attached is also lost;
- c. loss to property in the custody of transportation companies; nor shipments by mail other than registered mail.
- d. theft from any unattended automobile unless being shipped as registered mail;
- e. loss to property which is not an actual part of a stamp or coin collection.

TERRITORIAL LIMITS

We cover the property described while it is anywhere in the world except Fine Arts are covered only while within the limits of the continental United States, the State of Hawaii and Canada.

SPECIAL PROVISIONS

1. Fine Arts: You agree that the covered property will be packed and unpacked by competent packers.
2. Philatelic Property includes envelope, official revenue, match and medicine stamps, covers, locals, reprints, essays, proofs and other philatelic property, including their books, pages and mountings, owned by or in custody or control of the **Insured Person**.
3. Numismatic Property includes Rare and Current Coins, medals, paper money, bank notes, tokens of money and other numismatic property, including coin albums, containers, frames, cards and display cabinets in use with such collection, owned by or in custody or control of the **Insured Person**.

CONDITIONS

1. Loss Clause: The amount of insurance under this endorsement shall not be reduced except for a total loss of a scheduled article. We will refund the unearned premium applicable to such article after the loss or you may apply it to the premium due for the replacement of the scheduled article.

2. Loss Settlement: Covered property losses are settled as follows:

a. Fine Arts-We will pay the amount shown for each scheduled article which is agreed to be the value of the article.

In case of loss to a pair or set, we agree to pay you the full amount of the set as shown in the schedule and you agree to surrender the remaining article or articles of the set to us.

b. Philatelic Property or Numismatic Property-in case of loss to any scheduled item, the amount to be paid will be determined in accordance with paragraph 2c. Other Property

When coins or stamps are covered on a blanket basis, we shall pay the cash market value at time of loss but not more than \$1,000 on any unscheduled coin collection nor more than \$250, for any one stamp, coin or individual article or any one pair, strip, block, series sheet, cover, frame or card.

We shall not pay a greater proportion of any loss on blanket property than the amount insured on blanket property bears to the cash market value at time of loss.

c. Other property - The value of the property insured is not agreed upon but shall be ascertained at the time of loss or damage. We will not pay more than the least of the following amounts:

- (1) the actual cash value of the property at the time of loss or damage;
- (2) the amount for which you could reasonably be expected to have the property repaired to its condition immediately prior to loss;
- (3) the amount for which you could reasonable be expected to replace the article with one substantially identical to the article lost or damaged; or
- (4) the amount of insurance.

3. Pair, Set or Parts Other than Fine Arts:

a. Loss to a Pair or Set

In case of a loss to a pair or set we may elect to:

- (1) repair or replace any part to restore the pair or set to its value before the loss; or
- (2) pay the difference between actual cash value of the property before and after the loss.

b. Parts

In case of a loss to any part of covered property, consisting of several parts when complete, we shall pay for the value of the part lost or damaged.

4. Appraisal: If you and we fail to agree on the amount of loss, either one can demand that the amount of the loss be set by appraisal. If either makes a written demand for appraisal, each shall select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the residence premises is located to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.

DEDUCTIBLE

Property insured under this endorsement is subject to the per loss deductible as listed on the Schedule Page.

PERSONAL PROPERTY REPLACEMENT COST

For an additional premium, coverage for Personal Property is extended to include replacement cost, subject to the conditions and terms of this endorsement.

1. REPLACEMENT COST

- a. We will pay not more than the smallest of the following amounts:
 1. Replacement cost at the time of loss without deduction for depreciation;
 2. the full cost of repair at time of loss;
 3. 400% of the actual cash value at time of loss;
 4. the limit of liability applying to Your Personal Property; or
 5. any special limits of liability stated in this policy.
 - b. When the replacement cost for the entire loss under this endorsement exceeds \$250, we will pay no more than the actual cash value for the loss or damage until the actual repair or replacement is completed.
 - c. You may make a claim for loss on an actual cash value basis and then make claim within 180 days after the loss for any additional liability in accordance with this endorsement.
- All other provisions of your policy apply.

2. PROPERTY NOT ELIGIBLE

Property listed below is not eligible for replacement cost settlement. Any loss shall be settled at actual cash value at time of loss but not exceeding the amount necessary to repair or replace.

- a. ceramics, china, antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
- b. philatelic, cards, memorabilia and numismatic collections and related accessories.
- c. articles not maintained in good or workable condition.
- d. articles that are outdated or obsolete and are stored or not being used.

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.

FIRE DEPARTMENT SERVICE COVERAGE

In consideration of an additional premium, the Fire Department Service Coverage is increased from \$250 to \$500. This additional amount in excess of \$250 applies in addition to the stated limit of liability under Coverage A.

This endorsement must be attached to Change Endorsement when issued after policy is written.

REPLACEMENT COST COVERAGE

SECTION I – MANUFACTURED HOME

Our liability limits and method of settlement is changed to:

- ▶ The amount **we** pay for loss of, or damage to **your** manufactured home, except hail loss, if insured to 80% of replacement cost will be:
- ▶ The cost of repairing or replacing the damaged portion of the property not to exceed the Amount of Insurance.

If your manufactured home is not insured for at least the minimum of 80% of the replacement cost and/or you decide not to repair or replace, then the amount **we** pay for loss of, or damage to your home will be the lowest of:

- ▶ The difference between the actual cash value of your property immediately before the loss and its actual cash value immediately after the loss, or
- ▶ The cost of repairing the damage, or
- ▶ The actual cash value of your property immediately preceding the loss; or
- ▶ The cost of replacing your property, or
- ▶ The Amount of Insurance

We may also elect at our discretion to replace **your** property with similar kind, quality and value.

When the cost to repair or replace is either 5% of the amount of the insurance policy OR the damage is greater than \$1000, **we** will pay the actual cash value of your damages (the cost to repair or replace less depreciation) until repairs and/or replacement have been 100% completed. Once **you** have provided proof and **we** have verified that repairs or replacement have been 100% completed (this must be done within 180 days from the date of your claim) **we** will then pay **you** the remainder of **your** loss up to the replacement cost or the full cost to repair at **our** discretion.

All other provisions of **your** policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OUTSIDE RADIO OR TELEVISION ANTENNAS

Form AS-1. SECTION I. COVERAGE A. PROPERTY COVERAGES. Types of Property Covered. (d) is deleted and replaced by the following:

For an additional premium, we cover outside radio, television antennas, including satellite receiving systems, or towers located on the premises and connected to a set located in the Manufactured Home or in an Attached Appurtenant Structure for \$_____ in value.

All other provisions of this policy apply.

Coverage F: Medical Payments to Others Coverage

We will pay, up to limits shown on the Schedule Page, the necessary medical expenses incurred and reported to **us** within 1 year from the date of an accident causing **Bodily Injury**. Medical expenses means reasonable charges for medical, ambulance, and funeral services. This coverage does not apply to **you** or regular residents of **your** household or rented property other than **Residence Employees**. As to others, this coverage applies only:

- (1) To a person on the **Insured Premises** with **your** permission; or
- (2) To a person off the **Insured Premises**, if the **Bodily Injury**:
 - (a) Arises out of a condition of the **Insured Premises** or the ways immediately adjoining;
 - (b) Is caused by **your** activities;
 - (c) Is caused by a **Residence Employee** in the course of employment by **you**; or
 - (d) Is caused by an **animal** owned by **you** or in **your** care.

Additional Coverage

We will cover the following in addition to the **Premises Liability** limit:

- (1) **Damage to Property of Others**. **We** will pay up to \$250 per **occurrence** for **Property Damage** to property of others caused by **you**. **We** will not pay for **Property Damage**:
 - (a) To property covered under Section I of this policy;
 - (b) Caused intentionally by any **Insured Person** who is 13 years of age or older;
 - (c) To property owned by or rented to **you**, a tenant of **yours**, or a resident in **your** household; or
 - (d) Arising out of or in connection with:
 - (i) **Business** pursuits, but not including rental to others of a residence premises listed herein; or
 - (ii) Any act or omission in connection with a premise owned, rented or controlled by **you**, other than the **Insured Premises**; or
 - (iii) The ownership, maintenance or use of aircraft, watercraft or a **Motor Vehicle** other than one used only to maintain the **Insured Premises**.
- (2) **Claim expenses**. **We** pay:
 - (a) Expenses incurred by **us** and costs taxed against **you** in any suit **we** defend;
 - (b) Premiums on bonds required in a suit defended by **us**, but not for bond amounts greater than our liability limit. **We** are not obligated to apply for or furnish any bond;
 - (c) Reasonable expenses incurred by **you** at **our** request, including actual **loss** of earnings, up to \$50 per day for assisting **us** in the defense of any suit;
 - (d) Interest on the entire judgment which accrues after entry of the judgment and before **we** pay or tender, or deposit in court that part of the judgment which does not exceed our liability limit.
- (3) **First Aid Expenses**. **We** will pay expenses for first aid to others caused by an **Insured Person** for **bodily injury** covered under this policy. **We** will not pay for first aid to you or any other **Insured Person**.

Exclusions

- (1) Under **Premises Liability Coverage** and **Medical Payments to Others Coverage** **we** do not cover **Bodily Injury** or **Property Damage**:
 - (a) Arising out of any willful or malicious act or omission by any person. **We** also will not cover claims for acts or omissions of any person which are intended to result in **bodily injury** or **property damage**, or which would be expected by a reasonable person to result in **bodily injury** or **property damage**.
 - (b) Arising out of or in connection with:
 - (i) A **business** engaged in by an **Insured Person**. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the **business**. **Business** as used in this clause does not refer to rental to others of a residence premises by you.
 - (c) Arising out of the rendering or failing to render professional services.
 - (d) Arising out of any premises owned or rented to **you** which is not an **Insured Premises**:

- (e) Arising out of the ownership, maintenance, use, loading or unloading of:
 - (i) An aircraft;
 - (ii) A **Motor Vehicle** (other than one while being used to maintain the **insured premises**) owned or operated by, or rented or loaned to **you**; or
 - (iii) A watercraft owned or operated by, or rented or loaned to you if the watercraft:
 - (A) Has inboard or inboard-outboard motor power with more than 25 total horsepower; or
 - (B) Is a sailing vessel with or without auxiliary power, 26 feet or more in overall length; or
 - (C) Is powered by one or more outboard motors with more than 25 total horsepower; or
 - (D) Is a personal motorized watercraft including, but not limited to jet skis, or other similar watercraft.
- (f) Caused by discharge of any nuclear weapon (even if accidental), war (declared or not), civil war, insurrection, rebellion, revolution, riot or civil commotion, or any consequence of any of these.
- (g) Arising out of the movement of the Manufactured Home on any public or private right of way or operations of setup or movement.
- (h) Arising out of the transmission of a communicable disease by an **Insured Person**.
- (i) Arising out of the rendering of home day care services.
- (j) Arising out of any violation of a criminal law either by or with the knowledge or consent of an **Insured Person**, regardless of whether that person is actually charged with or convicted of a crime.
- (k) Arising out of the use, possession, manufacture, sale, delivery, or transfer by any person of a controlled substance as defined by the Federal Food & Drug Administration. Controlled substances include, but are not limited to, marijuana, cocaine, LSD and all narcotic drugs. This does not apply to legitimate use of prescription drugs as directed by a licensed physician.
- (l) Any **loss** or expense including cleanup costs resulting from asbestos or asbestos-containing material.
- (m) Any **loss** or expense including cleanup costs resulting from the toxic properties of lead or lead-containing products, materials or substances. This exclusion applies to all forms of lead including, but not limited to, solid, liquid, vapor or fumes. This exclusion also applies to any loss, cost or expense arising out of any request, demand or order from anyone including any government authority to test for, monitor, cleanup, abate, remove, contain threat, detoxify or neutralize or in any way respond to or assess the effects of lead.
- (n) To any person eligible to receive any benefits required to be provided or voluntarily provided by you under any worker's compensation, nonoccupational disability, or occupational disease law.
- (o) Arising from out of any "**occurrence**" involving any all terrain vehicle owned by, or in the care, custody, or control of the "**insured person**" or any member of the insured's family or household; or any other loss or expense arising out of any "**occurrence**" involving any all terrain vehicle owned by, or in the care, custody, or control of the "insured" or any member of the insured's family or household.
- (p) Arising from out of any "**occurrence**" involving any trampoline owned by, or in the care, custody, or control of the "**insured person**" or any member of the insured's family or household; or any other loss or exposure arising out of any "**occurrence**" involving any trampoline owned by, or in the care, custody, or control of the "**insured person**" or any member of the insured's family or household.
- (q) Arising out of any "**occurrence**" caused by an animal including, but not limited to, a bite or scratch by an animal. This exclusion shall apply to both the obligation to pay damages and the obligation to defend an action alleging "**bodily injury**" or "**property damage**" caused by an animal.
- (r) Arising out of the ownership, maintenance or use of a swimming pool, spa (hot tub) or pond.
- (s) Caused directly or indirectly relating to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever. In addition **we** will not pay for any **loss**, cost or expense that **you** may incur in testing for, monitoring, removing, treating, or in any way responding to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever.
- (t) Any loss or expense which occurs off or away from the insured premises described in the schedule.

We will not defend you with respect to any claim or suit seeking such damages.

Exclusions (d) and (e) do not apply to **Bodily Injury** to any **Residence Employee** arising out of and in the course of the **Residence Employee's** employment.

(2) Premises Liability Coverage does not apply to:

- (a) Liability assumed under any contract or agreement in connection with any **business of yours**;
 - (b) **Property Damage** to property owned by **you**;
 - (c) Property Damage to property rented to, occupied or used by you or in your care, custody or control. This Exclusion does not apply to Property Damage caused by fire, explosion, smoke or smudging resulting from the sudden, unusual or faulty operation of any heating or cooking unit.
 - (d) Bodily Injury to persons residing in your household, other than Residence Employees;
 - (e) Bodily Injury for persons eligible for benefits required to be or voluntarily provided by you under any worker's compensation, nonoccupational disability or occupational disease law.
 - (f) Claims, costs or awards for punitive or exemplary damages;
 - (g) Bodily Injury or property damage in excess of \$2,500 arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
 - (i) at or from premises owned, rented or occupied by you;
 - (ii) at or from any site or location used by or for you or others for the handling, storage, disposal, processing or treatment of waste;
 - (iii) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for you or any person or organization for whom you may be legally responsible; or
 - (iv) at or from any site or location on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations;
 - (a) if the pollutants are brought on or to the site or location in connection with such operations; or
 - (b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
 - (v) to any loss, cost or expense arising out of any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.
- This limitation does not apply to bodily injury or property damage caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

(3) **Medical Payments to Others Coverage does not apply to Bodily Injury;**

- (a) To a Residence Employee if it occurs off the Insured Premises and does not arise out of or in the course of, the Residence Employee's employment;
- (b) To any person eligible for benefits required to be or voluntarily provided under any worker's compensation, nonoccupational disability or occupational disease law.
- (c) To any person, other than a Residence Employee of an Insured Person regularly residing on any part of the Insured Premises.

The definition of the Insured Premises as respects Section II -- Liability Coverage, on Page 2 of the Policy is deleted and the following is substituted therefore:

In Section II--LIABILITY COVERAGES, Insured Premises means:

- (1) The part of any other premises, other structures and land rented to others by you as a residence premises and described in the schedule.

All other terms and conditions of this Section shall apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

\$500 WATER DAMAGE DEDUCTIBLE

The following is added to Form AS-1 RIGHTS & DUTIES – CONDITIONS APPLYING TO SECTION I –

Deductible:

Any loss for which this policy provides coverage:

- (1) caused by;
- (2) resulting from;
- (3) contributed to; or
- (4) aggravated by

water damage from within the manufactured home is subject to a \$500 deductible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

\$500 WINDSTORM/TORNADO AND HAIL DEDUCTIBLE

It is understood and agreed that a \$500 deductible is applicable to all windstorm/tornado and hail losses, as coverage is afforded in the Manufactured Home Form AS-1.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ANIMAL INJURY EXCLUSION

The following is added to Form AS-1 Section II – Liability – Exclusions:

- (1) Under Personal Liability Coverage and Medical Payments to Others Coverage **we** do not cover **Bodily Injury** or **Property Damage**:

- (o) arising out of any occurrence caused by an **animal** including, but not limited to, a bite or scratch by an **animal**. This exclusion shall apply to both the obligation to pay damages and the obligation to defend an action alleging **bodily injury** or **property damage** caused by an **animal**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FULL REPAIR COST ENDORSEMENT

As it pertains to your Manufactured Home, **RIGHTS & DUTIES – CONDITIONS APPLYING TO SECTION I. Liability Limits and Method of Settlement** are deleted and replaced by the following:

We will pay the full cost of repair of like kind and quality without depreciation for an insured **partial loss**, except a partial loss caused by hail. **Partial loss** means any insured loss when the full cost of repairs and/or replacement parts does not exceed the difference between the actual cash value of the manufactured home before the loss and the actual cash value after the loss.

We will not pay on a full repair cost basis for any loss or damage:

(1) Until the lost or damaged property is actually repaired or replaced; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

Subject to the limitations above, **we** will pay the amount actually spent to repair or replace the damage but no more than the cost of using common equivalent construction methods and materials. In no way shall payment be made under this endorsement to enhance the architectural features and construction materials used in the repairs.

You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event **you** elect to have loss or damage settled on an actual cash value basis, **you** may still make a claim for the additional coverage this Optional Coverage provides if **you** notify **us** of **your** intent to do so within 180 days after the loss or damage.

This endorsement shall not apply to awnings.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARBITRATION AGREEMENT

In consideration of the issuance of this policy to me/us, I/we agree that any controversy, dispute or claim involving Aegis Security Insurance Company, its subsidiaries, agents or employees, and arising out of or relating in any manner to the loan transaction, including but not limited issues relating to the negotiation, offering, issuance, renewal, placement or sale of this policy or contract, the types or amounts of coverage contained in the policy, claims based on or arising from any alleged tort or claim seek in any form of remedy in tort, contract or equity or any combination thereof shall be resolved by arbitration pursuant to the rules and regulation of the American Arbitration Association and in accordance with the Federal Arbitration Act cited as 9 U.S.C. § 1 et seq. Judgment upon any award rendered by the American Arbitration Association may be entered in any court of record having jurisdiction. **I/We**, and Aegis Security Insurance Company, its subsidiaries, agent and employees agree and understand that arbitration has been chosen instead of litigation to resolve any disputes between us. **I/We** understand that **I/We** have by agreeing to the above forfeited the opportunity to go to court to resolve any dispute between **me/us** and Aegis Security Insurance Company, its subsidiaries, agents or employees. **I/We** hereby acknowledge that the offering, negation, issuance, renewal, placement and/or sale of the Aegis Security Insurance Company policy or contract evidences and involves a transaction involving interstate commerce. **I/We** agree that **I/WE** AND AEGIS SECURITY INSURANCE COMPANY, ITS SUBSIDIARIES, AGENTS AND EMPLOYEES VOLUNTARILY AND KNOWINGLY WAIVE ANY RIGHT TO HAVE A JURY TRIAL EITHER PURSUANT TO ARBITRATION UNDER THIS CLAUSE OR PURSUANT TO AN ACTION IN ANY COURT OF RECORD. ARBITRATION PURSUANT TO THIS CLAUSE WILL TAKE PLACE IN THE CAPITAL CITY OF THE STATE OR COMMONWEALTH IN WHICH THE INSURED PROPERTY IS LOCATED OR SUCH OTHER PLACE AS SHALL BE AGREED UPON BETWEEN OR AMONG THE PARTIES AND WHICH IS IN REASONABLE PROXIMITY TO WHERE **I/WE** RESIDE.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA – AMENDMENT OF POLICY PROVISIONS

DEFINITIONS

The definition of Actual Cash Value does not apply.

SECTION I – PROPERTY COVERAGES

Rights & Duties Applying to Section I

Method of Settlement for Other Than Hail Loss has been replaced by the following:

South Carolina Manufactured Home Valuation Clause

In case of total loss as a result of a hazard insured against, **you** shall be entitled to recover the full amount of insurance indicated in the Schedule Page and in case of partial loss, **you** shall be entitled to recover the actual amount of loss, but in no event more than the amount of insurance stated in the Schedule Page. If two or more such policies are written upon the same property and covering the same interests, they shall be deemed and held to be contributive insurance, and if the aggregate sum on all such insurance exceeds the insurable value of the property, as agreed by **you** and insurer, each insurer shall, in the event of a total or partial loss, be liable for its pro rate insurance. Nothing in this contract shall be deemed to preclude an agreement between you and **us** to effect replacement in the event of total loss of **your** mobile home as a result of a hazard insured against.

Rights & Duties Applying to Section II

Cancellation

Provision (2) is replaced by the following:

(2) **We** may cancel this policy only for the reasons stated below by notifying **you** in writing of the date cancellation takes effect. This cancellation notice may be delivered to **you** or mailed to **you** at **your** address shown on the Schedule Page or the last address known to **us** or our authorized agent. Proof of mailing will be sufficient proof of notice.

- (a) When **you** have failed to pay the premium by the due date, whether payable to us or to our agent or under any finance or credit plan, **we** may cancel by notifying **you** at least 10 days before the cancellation takes effect.
- (b) When this policy has been in effect for less than 90 days and is not a renewal with **us**, **we** may cancel for any reason by notifying **you** at least 30 days before the cancellation takes effect.
- (c) When this policy has been in effect for 90 days or more, or at any time if it is a renewal with us, we may cancel only for one or more of the following reasons by notifying **you** at least 30 days before the cancellation takes effect.
 - (i) Material misrepresentation of fact which, if known to **us**, would have caused the us not to issue the policy;
 - (ii) Substantial change in the risk assumed, except the extent that **we** should reasonably have foreseen the change or contemplated the risk in writing the policy;

- (iii) Substantial breaches of contractual duties, conditions, or warranties; or
- (iv) Loss of the Company's reinsurance covering all or a significant portion of the particular policy insured, or where the continuation of the policy would imperil the Company's solvency or place the Company in violation of the insurance laws of South Carolina.

Financed Premium Cancellation

When a financial institution has loaned **you** the sum necessary to pay the premium on this policy, upon a promise evidenced by a contract in writing wherein **you** have promised to prepay to the financial institution such sum in equal monthly installments, and in which contract **you** have assigned to the financial institution the authority and right to request cancellation of this policy upon non-payment of any installment.

In recognition of the agreement between **you** and the financial institution, **we** agree that, upon receipt of a request from the financial institution, **we** will cancel this policy in accordance with the policy cancellation clause and return all unearned portion of the premium to the financial institution to the extent of funds advanced, the excess if any, to be returned to **you**.

The following provision is added:

Non-renewal

If the we elect not to renew this policy, **we** shall mail or deliver to **you** and **your** agent, if any, written notice of non-renewal, along with the reason for non-renewal, at least 30 days prior to:

- (a) The expiration date; or
- (b) The anniversary date if this is a continuous policy.

This Non-renewal notice may be delivered to **you** or mailed to **you** at the address shown on the Schedule Page or the last address known to **us** or our authorized agent. Proof of mailing will be sufficient proof of notice.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM/TORNADO/HAIL EXCLUSION

SECTION I – PROPERTY COVERAGES

General Exclusions and Conditions

The following exclusion is added:

We do not pay for loss resulting from loss or damage caused by windstorm, tornado, hail, hurricane, cyclone or typhoon.

If loss by fire or explosion ensues as a result of the perils specified above, **we** shall be liable only for such ensuing loss.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

SPECIAL LIMIT FOR ANIMAL LIABILITY

SECTION II - LIABILITY COVERAGE

PERSONAL LIABILITY COVERAGE

We will not pay more than \$10,000 for any claim made or suit brought against any insured person for bodily injury or property damage caused by any animal owned by, or in the care or custody of any insured person.

This limit is the maximum **we** will pay for any one occurrence.

All other provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALL TERRAIN VEHICLE EXCLUSION

The following EXCLUSION applies to all coverages:

We do not pay for:

1. Any bodily injury or property damage arising out of any occurrence involving any all terrain vehicle owned by, or in the care, custody, or control of the insured or any member of the insured's family or household; or
2. Any other loss or expense arising out of any occurrence involving any all terrain vehicle owned by, or in the care, custody, or control of the insured or any member of the insured's family or household.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

Under Section I, General Exclusions and Conditions the following exclusion is added:

We will not pay for loss or damage, regardless of any other cause or event that contributes concurrently or in a any sequence to the loss or damage, to electronic data processing equipment, computer networks, computer hardware (including microprocessors either as part of a computer system or operating outside of a system), media, computer programs, software, or data caused by the inability to correctly process, recognize, distinguish, interpret or accept data or time. An example is the inability to recognize the year 2000. **We** will not pay for any repair, replacement, restoration or modification to correct any deficiencies or change any features or functions.

We will not pay for loss or damage regardless of when the electronic data processing equipment, computer hardware, computer programs, media, data or software were purchased, obtained or installed.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA HURRICANE, TROPICAL CYCLONE OR TROPICAL STORM DEDUCTIBLE

Definitions

The following are added definitions:

Hurricane – means a weather system declared by the **National Weather Service** to be a **hurricane**.

National Weather Service – means the **National Weather Service** or, if the **National Weather Service** ceases to exist, ceases to perform the function of declaring weather systems to be **tropical storms**, or ceases to perform the function of issuing **hurricane** watches or **hurricane** warnings, such other entity as determined to perform the functions of the **National Weather Service**.

Tropical Cyclone – means a **hurricane**, a **tropical storm**, or any wind, hail, rain, snow, or sleet accompanying a **tropical storm**.

Tropical Storm – means a weather system declared by the **National Weather Service** to be a **tropical storm**, provided such weather system:

Was a **hurricane** or, at any time in the 24 hours immediately following your covered loss, becomes a **hurricane** and was the subject of a **hurricane** watch or **hurricane** warning issued by the **National Weather Service** for:

- i. any part of the state in which your residence premises is located; or
- ii. any state (s) which borders the state in which your residence premises is located.

SECTION I – PROPERTY COVERAGES

Rights & Duties – Conditions Applying To Section I

Deductible

The following is an added provision:

Hurricane, Tropical Cyclone or Tropical Storm Deductible

The **hurricane, tropical cyclone** or **tropical storm** deductible applies in the event of a covered **loss** caused by a **hurricane, tropical cyclone** or **tropical storm** or by any object(s) driven by a **hurricane, tropical cyclone** or **tropical storm**.

The **Hurricane, Tropical Cyclone** or **Tropical Storm** Deductible amount will be shown on the Schedule Page. When your **loss** is more than the deductible, **you** pay the deductible; and **we** pay the rest up to the limit of liability for that type of property. Only one deductible amount will be applied to a **loss** from one event; however, if there is more than one manufactured home insured by this policy, this deductible shall apply separately to each manufactured home for a **loss** from one event.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRAMPOLINE EXCLUSION

The following EXCLUSION applies to all coverages:

We do not pay for:

1. Any bodily injury or property damage arising out of any occurrence involving any trampoline owned by, or in the care, custody, or control of the insured or any member of the insured's family or household; or
2. Any other loss or expense arising out of any occurrence involving any trampoline owned by, or in the care, custody, or control of the insured or any member of the insured's family or household.

All other provisions of this policy apply.

Mold - Extension of Coverage **MANUFACTURED HOME POLICY**

Section 1 – Property Coverages, General Exclusion (1) is amended to read

(1) **Loss** or damage due and confined to wear and tear, gradual deterioration, neglect, domestic **animals**, inherent vice, rats, mice termites, moths or other insects, mechanical or electrical breakdown or failure, manufacturer or workmanship defect, power surges, brownout or latent defect.

Section 1 – Property Coverages, General Exclusion (29) is added to the policy

(29) **Loss** or damage due to mold or other fungi including mycotoxins, spores, scents or byproducts produced or released by the mold or fungi, rust or rot, dampness of atmosphere, extremes of temperature, smog, contamination or any combination of these perils.

However, we do cover ensuing mold or other fungi loss caused by water damage if the water damage loss would otherwise be covered under this policy.

The most we will pay for ensuing mold or other fungi caused by covered water damage is limited to the necessary and reasonable expenses up to \$500 to **remediate**, repair or replace covered property damaged by mold or other fungi.

Our limit of liability for ensuing mold or other fungi losses caused by covered water damage is \$500 for the sum of all losses regardless of the number of losses that occur during the policy period stated in the declarations page.

Remediate means to treat, remove or dispose of mold or other fungi as required to complete repair or replacement of covered property damaged by ensuing mold or other fungi caused by covered water damage, including any testing to detect, measure or evaluate mold or other fungi.

All other terms and conditions of this policy remain the same.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - MOLD LIABILITY

SECTION II - LIABILITY COVERAGE

PERSONAL LIABILITY COVERAGE

Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) does not apply to:

Any bodily injury or property damage, personal injury, advertising injury or medical payment claim of any kind directly or indirectly relating to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever.

We will not defend you with respect to any claim or suit seeking such damages.

We will not pay for any loss, cost or expense that you may incur in testing for, monitoring, removing, treating, or in any way responding to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever.