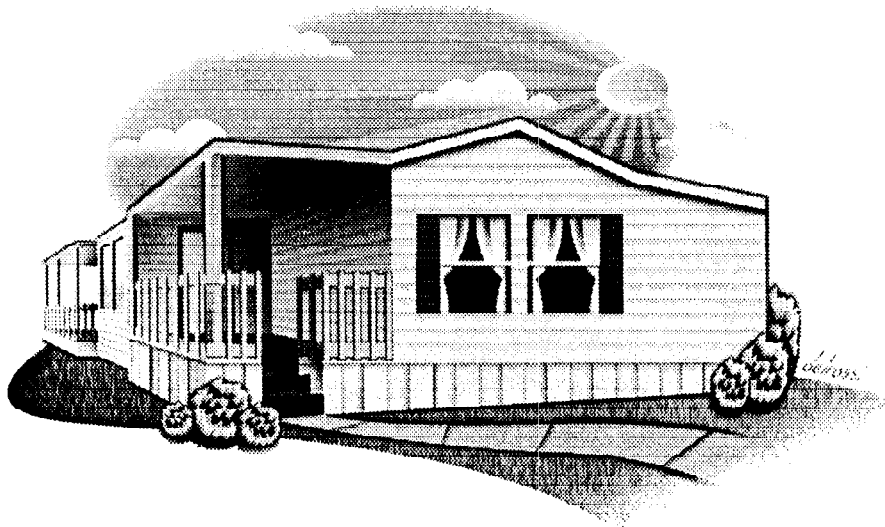


HOMEOWNERS POLICY
FOR MANUFACTURED HOMES



AMERICAN MODERN HOME INSURANCE COMPANY

AMELIA, OHIO

MAIN ADMINISTRATIVE OFFICE

MAILING ADDRESS

P.O. BOX 5323

CINCINNATI, OHIO 45201-5323

1-800-543-2644

HOMEOWNERS POLICY FOR MANUFACTURED HOMES
AMERICAN MODERN HOME INSURANCE COMPANY
A Stock Insurance Company
AMELIA, OHIO

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READ YOUR POLICY CAREFULLY

For service information or questions concerning this policy,
contact your agent or call our executive office at
1-800-543-2644

INSURING AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

The Declarations show the policy period, coverages, limits of liability and premiums. This policy is not complete without the Declarations.

DEFINITIONS

In this policy, "you" and "your" refer to the Named Insured shown in the Declarations and the spouse, if a resident of the **residence premises**. "We", "us" and "our" refer to the Company providing this insurance.

In addition, certain words and phrases are defined as follows:

1. **"Actual cash value"** means the cost to repair or replace property with new materials of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.
2. **"Aircraft"** means any contrivance used or designed for flight. This does not include model or hobby **"aircraft"** not used or designed to carry people or cargo.
3. **"Alteration"** means deliberate change to the encumbered property without permission of the **lienholder** that results in reduced property value. This is whether or not you intended the resulting reduction in value.
4. **"Bodily injury"** means bodily harm, sickness or disease, and includes necessary care, loss of services and resulting death.
5. **"Business"** means any trade, profession, occupation or service of an **insured person**. **"Business"** includes any part-time, temporary, or permanent activity engaged in for compensation.
6. **"Concealment"** means when you withhold or hide all or part of encumbered property from the **lienholder**, or remove the property from the area of use known to the **lienholder**, with the apparent intent of wrongfully appropriating the property.
7. **"Conversion"** means when you transfer ownership, sell or encumber, trade or dispose of all or part of encumbered property without permission of the **lienholder**.
8. **"Diminution of value"** means the actual or perceived loss in market or resale value that results from a direct and accidental loss.

9. **"Earth movement" means:**

- a. earthquake;
- b. land shock waves or tremors occurring before, during or after a volcanic eruption;
- c. landslides;
- d. mine subsidence;
- e. mudflow; or
- f. earth sinking, rising, or shifting.

10. **"Flood"** means a general temporary condition of partial or complete covering of normally dry land areas as a result of:

- a. the overflow of inland or tidal waters;
- b. the unusual and rapid buildup or runoff of surface water from any source; or
- c. mudslides or mudflows which are caused by the buildup of water on or below the surface of the ground.

"Flood" can also mean the collapse or sinking of land along the shore of a body of water as a result of erosion or undermining caused by waves or currents of water that exceed the normal levels, which results in a **"flood"** as defined above.

11. **"Insured person" means:**

- a. You and permanent residents of the **residence premises** who are:
 - (1) your relatives; or
 - (2) other persons under the age of 21 and in the care of any person named above;
- b. A student enrolled in school full time, as defined by the school, who was a permanent resident of the **residence premises** before moving out to attend school. This is provided the student is under the age of:
 - (1) 24 and your relative; or
 - (2) 21 and in your care or the care of a person described in a.(1) above; or
- c. Under **SECTION II**, with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft that are owned by you or any person included in a. or b. above. **"Insured person"** does not mean a person or organization using or having custody of these animals or watercraft in the course of any

business or without consent of the owner.

12. **"Insured premises"** means:

- a. the **residence premises**;
- b. the part of other premises, other structures and grounds used by you as a residence; and
 - (1) that is shown in the Declarations; or
 - (2) that is acquired by you during the policy period for your use as a residence;
- c. any premises used by you in connection with a premises described in a. or b. above;
- d. any part of a premises:
 - (1) not owned by an **insured person**; and
 - (2) where an **insured person** is temporarily residing;
- e. vacant land, other than farm land, owned by or rented to an **insured person**;
- f. land owned by or rented to an **insured person** on which a one- or two-family dwelling is being built as a residence for an **insured person**;
- g. individual or family cemetery plots or burial vaults of an **insured person**; or
- h. any part of a premises occasionally rented to an **insured person** for other than **business** use.

13. **"Lienholder"** means the person or business, named in the Declarations, including any mortgagee, that loaned you money on your dwelling. This includes any successor in interest or assignee.

14. **"Motor vehicle"** means:

- a. any motorized land conveyance of any type. This is regardless of whether or not it is licensed for road use or whether the motorized land conveyance is made for use on or off public roads. The term **"motor vehicle"** shall include, but is not limited to, automobiles, motorcycles, mopeds, all-terrain vehicles, tractors, riding lawnmowers, snowmobiles, and go-carts. It does not mean:
 - (1) a golf cart while used on a golf course for golfing purposes;
 - (2) a motorized vehicle, not subject to **"motor vehicle"** registration, designed

and used solely to aid the handicapped; or

(3) lawn or garden equipment while used on the **insured premises**. However, lawn or garden equipment that is:

- (a) in excess of 25 horsepower; or
 - (b) an all-terrain vehicle;
- is a **"motor vehicle"**.

b. a trailer or semi-trailer made for use on or off public roads.

c. any vehicle while being towed or carried by one of the above **motor vehicles**.

15. **"Nuclear hazard"** means any nuclear reaction, radiation, or radioactive contamination. These are all whether controlled or uncontrolled or however caused, or any consequence of any of these.

16. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:

- a. **bodily injury**; or
- b. **property damage**.

17. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

18. **"Property damage"** means physical injury to, destruction of, or loss of use of tangible property.

19. **"Residence employee"** means:

- a. an employee of an **insured person**, or an employee leased to an **insured person** by a labor leasing firm, under an agreement between an **insured person** and the labor leasing firm, whose duties are related to the maintenance or use of the **residence premises**. This includes household or domestic services; or
- b. one who performs similar duties elsewhere not related to the **business** of an **insured person**.

A **"residence employee"** does not include a temporary employee who is furnished to an **insured person** to substitute for a permanent **"residence employee"** on leave or to meet seasonal or short-term workload conditions.

20. "**Residence premises**" means:
- the one-family dwelling, other structures, and grounds where you live and that is shown in the Declarations; or
 - a two-family dwelling where you live in at least one of the family units and that is shown in the Declarations.
21. "**Service agreement**" means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

not a tenant of the dwelling; or

- that are manufactured homes, barns, farm structures or livestock structures.

3. **PERSONAL PROPERTY**

- We cover personal property owned or used by an **insured person** while on the **residence premises**. You may apply up to 10% of the personal property coverage limit for your personal property located elsewhere. This does not increase the coverage limit shown in the Declarations.

b. **PERSONAL PROPERTY NOT COVERED**

We do not cover the following types of property:

- Money (except coin collections), bank notes, deeds, securities, accounts, evidence of debt, letters of credit, passports, bullion, metals and precious metals, including but not limited to, platinum, gold and silver.
- Aircraft**, trailers, farm machinery, campers, **motor vehicles** (other than motorized wheelchairs), watercraft, including but not limited to jet-skis, wet-bikes, wave-runners, airboats or any jet-driven water conveyance, or any equipment of any of the above.
- Items carried or held as samples or for sale or delivery after sale.
- Animals, fish, reptiles or birds.
- Property intended for or used for **business** purposes in any way or at any time.
- Articles and property separately described and specifically insured in this or any other insurance.
- Property owned by roomers, boarders and tenants.
- Antennas, including satellite dishes and all equipment related to the satellite system, except as provided for in the **SUPPLEMENTARY COVERAGES** section of this policy.

c. **SPECIAL LIMITS ON CERTAIN PERSONAL PROPERTY**

We will pay no more than a total of \$2,000 for loss to the following types of personal property. This applies regardless of the number of items involved in the loss. The special limit for each category shown below is

SECTION I - PROPERTY COVERAGE

For coverages you have selected, we cover the following types of property if shown in the Declarations:

PROPERTY COVERED

1. **DWELLING**

- We cover the dwelling, on the **residence premises**, shown in the Declarations. This includes:
 - parts, accessories, and equipment that are built into or attached to the dwelling and form a permanent part of its structure;
 - above-ground foundation supports, tie-downs, central air conditioners, water pumps, skirting, steps, septic tanks, and oil and gas drums that furnish heating or cooking fuel for the dwelling; and
 - structures attached to the dwelling.
- This coverage does not apply to land, including land on which the dwelling is located.

2. **OTHER STRUCTURES**

- We cover other structures on the **residence premises** set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line or similar connection.
- This coverage does not apply to land, including land on which the other structures are located.
- We do not cover other structures:
 - used in whole or in part for **business**;
 - rented or held for rental to any person

the total limit for each loss for all property in that category. These limits do not increase the limit of liability for personal property coverage.

- (1) \$500 - Jewelry, watches, precious and semi-precious stones or furs. Furs include any piece of clothing having fur that is its main value.
- (2) \$500 - Silverware, silver-plated ware, goldware, gold-plated ware, platinum ware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- (3) \$500 - Fine arts, ceramics, china, antiques and heirlooms.
- (4) \$500 - Guns, ammunition and related equipment.
- (5) \$500 - Audio or video recording devices. These include but are not limited to, camcorders, cameras, compact disks, compact disk players, digital video disks, digital video disk players, laser disks, records, tapes, video cassette recorders, video game cartridges and disks, and accessories of any of the above items.
- (6) \$500 - Musical instruments, their equipment and accessories.
- (7) \$500 - Books; memorabilia; souvenirs; tickets; manuscripts; personal records; stamp, coin, card and comic book collections. This dollar 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.
- (8) \$500- Golf equipment.
- (9) \$1000- Tools (including but not limited to hand, electric, battery or gas-powered).
- (10) \$1000 - Computers, computer software, disks, personal digital assistants, equipment and accessories for these items.

SUPPLEMENTARY COVERAGES

The following coverages are provided without extra premium and with no deductible when we insure your dwelling:

1. Additional Living Expenses

- a. The following applies if a loss covered under **SECTION I** makes that part of the **residence premises** where you reside uninhabitable. We will pay up to \$30 per day to cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living. If your dwelling can be repaired, we will provide payment only for the time reasonably required to repair the dwelling. If it is a total loss, we will pay up to the \$30 per day until the date we pay for the dwelling loss or through the seventh day after we make a written offer to settle your loss. In no event will this benefit be paid for an amount greater than 10% of the liability limit on your dwelling. In order to be paid under this coverage, you must provide receipts of your expenses prior to our payment.
- b. If a civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a **PERIL INSURED AGAINST**, we cover the Additional Living Expenses, up to \$30 per day, for no more than fourteen days.
- c. The periods of time under a. and b. above are not limited by expiration of this policy.

2. **Fire Department Service Charge** - We will pay up to \$250 for charges incurred, if any, each time the fire department is called to protect your **residence premises** from a **PERIL INSURED AGAINST**.

3. **Emergency Removal** - We will pay the reasonable expense incurred by you, not to exceed \$750 for each removal and return of your dwelling, if it is endangered by a **PERIL INSURED AGAINST**. The removal must be urgently necessary to avoid damage to the dwelling.

4. Reasonable Repairs

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a **PERIL INSURED AGAINST** from further damage.

- b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a **PERIL INSURED AGAINST**. This coverage does not:
- (1) increase the limit of liability that applies to the covered property; or
 - (2) relieve you of your duties, in case of a loss to covered property, described in **SECTION I - CONDITIONS**, under Item 16., **What You Must Do in Case of Loss**, Paragraph d.
5. **Trees, Shrubs, Plants and Lawns** - We will pay up to \$200 to cover trees, shrubs, plants and lawn on the **residence premises** other than those grown for **business** reasons. These items are covered only against loss by fire, lightning, explosion, riot or civil commotion, vandalism, malicious mischief, falling objects, vehicles not owned or operated by an **insured person**, and **aircraft**. We will pay no more than \$100 for any one lawn, tree, plant or shrub.
6. **Credit Card, Fund Transfer Card or Access Device, Forgery and Counterfeit Money**
- a. We will pay up to \$1,000 for:
 - (1) the legal obligation of an **insured person** to pay because of the theft or unauthorized use of credit cards issued to or registered in an **insured person's** name;
 - (2) loss resulting from theft or unauthorized use of a fund transfer card or access device used for deposit, withdrawal or transfer of funds. Such card must be issued to or registered in an **insured person's** name;
 - (3) loss to an **insured person** caused by forgery or alteration of any check or negotiable instrument; and
 - (4) loss to an **insured person** through acceptance in good faith of counterfeit United States or Canadian paper currency.
 - b. We do not cover use of a credit card or fund transfer card or access device:
 - (1) by a resident of the **residence premises** or a person temporarily living in the dwelling;
 - (2) by a person who has been entrusted with either type of card or access device; or
- (3) if an **insured person** has not complied with all terms and conditions under which the cards are issued or devices accessed.
- c. We will pay no more than \$1,000 for any one loss involving one or more of these coverages. Repeated losses caused by one person or in which one person is involved are to be considered one loss.
 - d. We do not cover loss arising out of **business** use or dishonesty of any **insured person**.
 - e. If a claim is made or suit is brought against an **insured person** for liability to which this coverage applies, we will defend the **insured person**. We will use our lawyers and bear the expense.
 - f. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay or when the amount we offer to pay by tendering the money to you equals our limit of liability.
 - g. We may defend an **insured person** or that person's bank against a suit to enforce payment under the credit card or fund transfer card coverage. Such defense will be at our option and our expense.
7. **Antennas and Satellite Dishes** - We will pay up to \$100 for a covered loss to your antenna(s) or satellite dish(es) and all equipment related to the satellite system. This applies whether or not such items are attached to the dwelling or other structures.
8. **Food Spoilage**
- a. We will pay the actual, necessary and reasonable cost, up to \$100, for spoilage of food in your freezer or refrigerator, on the **residence premises**. Such spoilage must be caused by power failure.
 - b. Power failure shall not include:
 - (1) removal of a plug from an electrical outlet; or
 - (2) turning off an electrical switch, unless caused by a **PERIL INSURED AGAINST**.
 - c. Under **SECTION I - EXCLUSIONS**, Exclusion 13. does not apply to this Food Spoilage coverage.

9. Collapse

a. With respect to this **SUPPLEMENTARY COVERAGE**:

- (1) collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) a building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) a part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) a building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

(1) These named perils only:

- (a) Fire Or Lightning
- (b) Windstorm Or Hail
- (c) Explosion
- (d) **Aircraft**
This peril includes self-propelled missiles and spacecraft.
- (e) Vehicles
- (f) Vandalism Or Malicious Mischief
- (g) Falling Objects
This peril does not include loss to property contained in a building unless a falling object first damages the roof or an outside wall of the building. Damage to the falling object itself is not included.
- (h) Weight Of Ice, Snow Or Sleet
- (i) Accidental Discharge Or Overflow Of Water Or Steam

i. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

ii. This peril does not include loss:

(i) to the system or appliance from which the water or steam escaped;

(ii) caused by or resulting from freezing except as provided in peril (k), freezing, below;

(iii) on the **residence premises** caused by accidental discharge or overflow which occurs over the **residence premises**; or

(iv) caused by mold, fungus or wet rot.

iii. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

iv. **SECTION I - EXCLUSION 10.**, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

(j) Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

i. This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

ii. We do not cover loss caused by or resulting from freezing under this peril.

(k) Freezing

i. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance. This peril applies only if you have used reasonable care to:

- (i) maintain heat in the building; or
- (ii) shut off the water supply and drain all systems and appliances of water.

If the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

ii. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

(l) Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

- (2) Decay that is hidden from view, unless the presence of such decay is known to an **insured person** prior to collapse;
 - (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an **insured person** prior to collapse;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain that collects on a roof; or
 - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under b.(2)

through b.(6) above. This does not apply if the loss is a direct result of the collapse of a building or any part of a building.

d. This coverage does not increase the limit of liability that applies to the damaged covered property.

SECTION I - PERILS INSURED AGAINST

We insure against risk of direct, sudden and accidental physical loss to covered property, unless the loss is excluded under **SECTION I - EXCLUSIONS.**

SECTION I - EXCLUSIONS

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

- 1. Loss that results from defective or improper manufacture, latent defect, inherent vice or mechanical breakdown.
- 2. Loss that results from installation, movement, transit, preparation for transit, set-up or transport of your dwelling or other structures.
- 3. Loss due and confined to wear and tear, lack of maintenance, neglect or abusive use, mold, rotting, rust, corrosion, marring, deterioration and smog.
- 4. Loss due and confined to insects, vermin, rodents, reptiles, birds or domestic animals.
- 5. Loss that results from smoke from agricultural smudging or industrial operations.
- 6. Loss that results from vandalism, **conversion** or **concealment** by any **insured person**, tenant, or other resident of the **residence premises**.
- 7. Loss due and confined to freezing or extremes of temperature. This does not apply if it is the result of a covered loss.
- 8. Loss caused by freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - a. fence, pavement, patio or swimming pool;
 - b. footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
 - c. retaining wall or bulkhead that does not support all or part of a building or other

structure; or

d. pier, wharf or dock.

9. Loss that results from continuous or repeated seepage or leakage from a plumbing, heating or air conditioning system, appliances or waterbeds, unless the result of a **PERIL INSURED AGAINST**.
10. Loss that results from water damage, which means:
- a. **flood**, waves, or spray from either of these, whether or not driven by wind;
 - b. water or water-borne material that backs up through sewers or drains, or that overflows or is discharged from a sump, sump pump or related equipment; or
 - c. water or water-borne material below the surface of the ground, including water that exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;
- caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

11. Loss that results from seepage or leakage of rain, sleet, ice or snow, whether or not wind-driven, unless caused by a **PERIL INSURED AGAINST**.
12. Loss that results from mysterious disappearance of the insured property, or if it is lost or misplaced.
13. Loss that results from failure, surge or interruption of power or other utility service which occurs away from the **residence premises**. But, if a covered loss ensues on the **residence premises**, we will pay only for that ensuing loss.
14. Loss that results from an action or omission by or at the direction of any **insured person**, committed with the intent to cause a loss or damage. This exclusion applies even if the **insured person** is insane, intoxicated or otherwise impaired if a person without that impairment who committed such an act would otherwise be deemed to have acted with the intent to cause loss or damage.
15. Loss or any increase in the cost of any repair that results from enforcement of an ordinance, regulation or law regulating the construction, repair, demolition, occupancy, sale or relocation of your dwelling or other structure, unless specifically provided for under this policy. We do cover loss caused by actions of civil

authorities to prevent the spread of a fire, provided the loss is covered under this policy. This exclusion applies whether or not any increase in cost is necessitated as a result of damages caused by a covered peril.

16. Loss that results from theft, vandalism, malicious mischief or breakage of glass if the dwelling has been vacant or unoccupied for more than 60 consecutive days immediately preceding the loss.
17. Loss that results from theft or vandalism of records, tapes, compact disks, laser disks, digital video disks, equipment or antennas that send, receive or record sound or data or detect radar when in, on or attached to a **motor vehicle**.
18. Loss that results from theft of building materials or supplies.
19. Loss that results from criminal acts of any **insured person**. This includes consequential damage as a result of such criminal acts.
20. Loss that results from war, which includes the following and any consequence of any of the following:
- a. declared war, undeclared war, civil war, insurrection, rebellion or revolution;
 - b. warlike act by a military force or military personnel; or
 - c. destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act, even if accidental.

21. Loss to your insured property caused by any **motor vehicle** owned or used by any **insured person**.
22. Loss if the risk of loss is increased by any means within the control or knowledge of an **insured person**.
23. Loss that results from neglect of any **insured person** to take all reasonable steps to save and preserve property at the time of and after a loss or when the property is threatened by a peril we cover.
24. Loss that results from settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings.
25. Loss caused directly or indirectly by **nuclear hazard**, except that direct loss by fire resulting from the **nuclear hazard** is covered.
26. Loss that results from **diminution of value** to your dwelling or other structures.

27. Loss that results from:

- a. the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**, whether intended or not; or
- b. the costs to comply with any ordinance, law, or governmental directive or request that requires any **insured person** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants** in or on the dwelling or other structures.

28. Loss that results from **earth movement**. If direct loss by fire or explosion ensues, then we will pay only for the ensuing loss. This exclusion does not apply to loss by theft.

29. Loss involving collapse, except as provided in **SUPPLEMENTARY COVERAGES**, Item 9., **Collapse**.

30. Loss that results from the destruction, confiscation or seizure of covered property by order of any governmental or public authority. This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

SECTION I - CONDITIONS

1. Method of Settlement

- a. The amount we pay for loss of, or damage to, your dwelling, other structures and personal property will be the lowest of:
 - (1) the difference between the **actual cash value** of your property immediately before the loss and its **actual cash value** immediately after the loss;
 - (2) the cost to repair or replace your property, less applicable depreciation or betterment;
 - (3) the **actual cash value** of your property immediately preceding the loss; or
 - (4) the amount of insurance shown in the Declarations.
- b. We may also replace the property with property of similar kind, quality and value.
- c. We will reimburse you up to \$250 for the cost to remove debris that results from a covered loss. Our payment for both loss to the dwelling and debris removal combined shall not exceed the dwelling limits. This

coverage does not apply to removal of debris that would be considered normal maintenance.

- d. In the event of the **total loss** of your dwelling, we will pay the amount shown in the Declarations for Dwelling coverage.

"Total loss" means a loss for which the cost to repair your dwelling, plus any salvage value, is equal to or greater than the amount shown in the Declarations for Dwelling coverage.

2. Hail

The amount we will pay you for loss or damage from hail depends on the type of loss or damage it causes.

- a. **Structural Damage:** Hail can cause structural damage, which is the actual penetration of the exterior surface or the cracking or breaking of support materials. When this type of loss or damage occurs, we will pay you the **actual cash value** of the cost of repairing or replacing the damaged portion of the property.
- b. **Cosmetic Damage:** Hail often dents the exterior surface of a dwelling and other structures. When there is no structural damage, the utility of these structures will not be affected. The amount we pay for this will be the difference between the **actual cash value** of your property immediately before the loss and its **actual cash value** immediately after the loss.

3. Company's Settlement Options

When you have a covered loss, we have the option to pay for the loss or to repair or replace the damaged or destroyed property with property of like kind and quality. Before we have paid for the loss or replaced the property, we may return to you any recovered stolen property, at our expense. We will also include payment for any covered damage. At our option, we may keep all or part of the property at the agreed or appraised value. You shall not have the option of abandoning property to us.

4. Settlement for Pairs, Sets or Panels

At our sole option, the settlement for a loss to a pair, set, series of objects, piece or panel, inside or outside, shall be:

- a. to repair or replace any part needed to restore the pair, set or panel to its **actual cash value** before the loss;
- b. to pay the difference between the **actual cash value** of the pair, set or panel before and after the loss; or

- c. to pay the reasonable cost of providing a substitute to match the remainder of the property as closely as possible. We do not guarantee the availability of replacements. We shall not, in the event of loss to a part, be obligated for the value of, or to repair or replace, the entire series of pieces or panels.

5. Deductible.

Unless otherwise noted in this policy, the following deductible provision applies:

- a. Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under **SECTION I** that exceeds the deductible amount shown in the Declarations.
- b. Only one deductible will be applied to a covered loss from one occurrence. If the deductibles are not the same, the highest one will apply.

6. Change of Location

If you move the dwelling shown in the Declarations, you must let us know within thirty days. If you do not notify us, no coverage will be provided under this policy.

7. Payment of Loss

We will adjust all losses with you. We will pay you unless some other person is named in the policy and is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. reach an agreement with you;
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

8. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a judge, of a court of record in the state where the **residence premises** is located, make the choice. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

9. Other Insurance and Service Agreement

If a loss covered by this policy is also covered by:

- a. other insurance, insurance under this section shall apply as excess insurance over other valid and collectible insurance that would apply in the absence of this policy.
- b. a **service agreement**, this insurance is excess over any amounts payable under any such agreement.

10. Insurable Interest and Our Liability

- a. In the event of a loss, we will pay the lesser of the following:
 - (1) the insurable interest that an **insured person** has in the property covered by this policy; or
 - (2) the limit of liability for the coverage afforded by this policy.
- b. For someone other than an **insured person** to have an insurable interest that is eligible for coverage, they must be named in the policy.

11. Lienholder's Interest

- a. If a **lienholder** is named in the Declarations, any loss will be paid to you and the **lienholder**. By naming a **lienholder** you acknowledge that the entity named has a legal interest in the dwelling due to an installment sales contract or other valid security agreement. You also acknowledge and agree that a **lienholder** named in the Declarations shall have the ability to request cancellation of this policy, if your dwelling is repossessed by that **lienholder**. If a **lienholder** is not named in the Declarations, it shall have no interest under this policy.
- b. The **lienholder's** interest will not be impaired by your fraudulent or intentional acts or omissions, provided the **lienholder**:
 - (1) notifies us of any change in occupancy, ownership or substantial change in the risk as soon as the **lienholder** becomes aware of such change;
 - (2) pays any premium due under this policy, if you have neglected to pay; and

- (3) furnishes us a proof of loss within 60 days after it is aware of the loss if an **insured person** fails to do so. If we pay the **lienholder** for any loss and deny payment to you:
- (a) we are subrogated to all rights of the **lienholder** granted under the lien on the property. Also, we may require, at our sole option, an assignment of the note and lien to the extent of payment made; or
 - (b) at our sole option, we may pay to the **lienholder** the whole principal on the lien plus any accrued interest. In this event, the **lienholder** shall fully assign and transfer the note, lien and all securities held as collateral for the debt.
- c. We provide no coverage to the **lienholder** for any loss resulting from **alteration, conversion or concealment** of any property by any **insured person** or other party in legal possession of the property.
- d. Exclusion 16. will not apply to the **lienholder's** interest if:
- (1) the loss is first discovered at the time of repossession; and
 - (2) the **lienholder**:
 - (a) has inspected and secured the dwelling within 60 days after it has become vacant or unoccupied; or
 - (b) has filed an action for replevin within 30 days of being denied access to a vacant dwelling. This is provided that the **lienholder** also applies to a court of competent jurisdiction for a writ of execution or possession to be issued. Such writ shall direct the sheriff to levy upon the dwelling, within 20 days after the court has entered an order of forfeiture or possession in favor of the **lienholder**.
- e. We will protect the **lienholder's** interest in the insured dwelling in the event of a substantial change in the risk, change in ownership or occupancy, or foreclosure. This is provided that the **lienholder** has no knowledge of these conditions. We will provide the **lienholder** at least 10 days notice if we cancel this policy. At the end of this 10-day period, all interest of the **lienholder** in this policy shall terminate.
- f. Our right of subrogation, to the extent of our payment made, will not impair the right of a **lienholder** to recover the full amount of its claim.
- g. All policy terms and conditions apply to the **lienholder** as well as to you.
- h. The following applies if the premium has not been paid: If a **lienholder** is named in this policy, we will continue this insurance for the **lienholder's** interest for 30 days after written notice of termination to the **lienholder**. Then, this policy will terminate as to the **lienholder's** interest.
12. **Repossession**
- If you are delinquent on your payments to the **lienholder** and the insured dwelling is placed in the care, custody or control of the **lienholder** or its agents, all coverage for loss under **SECTION I** shall cease upon the date of such care, custody or control. This applies whether such placement is voluntary or not.
13. **Reinstatement of Limit**
- A loss to your property reduces our liability limit by the amount of the loss under the appropriate coverage. Upon repair or replacement of the property, the limit will return to the limit shown in the Declarations.
14. **No Benefit to Bailee**
- We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee, regardless of any other provision of this policy.
15. **Suit Against Us**
- No action can be brought against us unless there has been full compliance with all of the terms under **SECTION I** of this policy and the action is started within one year after the date of loss.
16. **What You Must Do in Case of Loss**
- In case of a loss, you must see that the following are done:
- a. give prompt notice to us or our agent;
 - b. notify the police in case of loss by theft;
 - c. notify the credit card or fund transfer card company in case of loss under **Credit Card** or **Fund Transfer Card** coverage;

- d. protect the property from further damage. If repairs to the property are required, you must:
- (1) make reasonable and necessary repairs to protect the property. We will not pay for additional damage as a result of your failure to do so;
 - (2) keep an accurate record of repair expenses;
- e. prepare an inventory of damaged personal property showing the quantity, description, **actual cash value** and amount of loss and any other information we request. You must attach all bills, receipts and related documents that justify the figures in the inventory;
- f. as often as we reasonably require:
- (1) allow us to inspect the damaged property and allow us to take samples of damaged property for inspecting, testing and analysis;
 - (2) provide us with records and documents that we request and permit us to make copies. These include, but are not limited to, tax records, bank statements, sales slips and receipts.
 - (3) submit to examination under oath, while not in the presence of any other **insured person**, and sign the same ;and
- g. send to us, within 60 days after loss, your signed, sworn proof of loss that sets forth, to the best of your knowledge and belief:
- (1) the time and cause of loss;
 - (2) the interest of the **insured person** and all others in the property involved and all liens on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term of the policy;
 - (5) specifications of damaged buildings and detailed repair estimates;
 - (6) the inventory of damaged personal property described in 16.e. above;
 - (7) receipts for additional living expenses incurred;
 - (8) records that support your loss; and
 - (9) evidence or affidavit that supports a claim under the **Credit Card, Fund**

Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

SECTION II - LIABILITY COVERAGE

PERSONAL LIABILITY

If a claim is made or a suit is brought against any **insured person** for damages because of **bodily injury** or **property damage**, caused by an **occurrence**, to which this coverage applies, we will:

1. pay up to our liability limit for the damages for which the **insured person** is legally liable, except for punitive or exemplary damages.

However, we will pay no 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, custody or control of, any **insured person**. This limit is the maximum we will pay for any one **occurrence**.

2. provide a defense at our expense by counsel of our choice. We may investigate and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for damages resulting from the **occurrence** in settlement of a claim(s) or in satisfaction of a judgment(s) equals our liability limit. We have no duty to defend any suit or settle any claims for **bodily injury** or **property damage** not covered under this policy.

MEDICAL PAYMENTS TO OTHERS

1. We will pay the necessary medical expenses incurred within three (3) years from the date of an accident causing **bodily injury**. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, funeral services and prosthetic devices. This coverage does not apply to you or residents of the **residence premises** other than **residence employees**. As to others, this coverage applies only:
 - a. to a person on the **insured premises** with the permission of any **insured person**; or
 - b. to a person off the **insured premises**, if the **bodily injury**:
 - (1) arises out of a condition on the **insured premises**;
 - (2) is caused by the activities of any **insured person**;
 - (3) is caused by a **resident employee** in the course of the **residence employee's** employment by an **insured person**; or

- (4) is caused by an animal owned by or in the care of any **insured person**.
2. We may pay the injured person or the party that renders the medical services. Payment under this coverage is not an admission of liability by you, us, or an **insured person**.

ADDITIONAL COVERAGES

We will cover the following in addition to the liability limit:

1. **Claim Expenses** - We will pay:
 - a. expenses incurred by us and costs taxed against any **insured person** in any suit we defend;
 - b. premiums on bonds required in a suit defended by us. We will not pay premiums for bond amounts greater than the limit of liability for **PERSONAL LIABILITY**. We are not obligated to apply for or furnish any bond;
 - c. reasonable expenses incurred by any **insured person** at our request. These include actual loss of earnings (but not loss of other income) up to \$50 per day for assisting us to investigate or defend any claim or suit;
 - d. interest on the entire judgment that accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment that does not exceed the limit of liability that applies.

2. **Damage to Property of Others** - We will pay up to \$500 per **occurrence** for **property damage** to property of others caused by any **insured person**. 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 thirteen (13) years of age or older;
 - c. to property owned by or rented to any **insured person**, a tenant of any **insured person** or a resident in the **residence premises**; or
 - d. arising out of:
 - (1) **business** pursuits;
 - (2) any act or omission in connection with a premises owned, rented or controlled by any **insured person**, other than the **insured premises**; or

- (3) the ownership, maintenance, or use of a **motor vehicle**, watercraft or **aircraft**.

3. **First Aid Expenses**- We will pay expenses for first aid to others incurred by any **insured person** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **insured person**.

SECTION II - EXCLUSIONS

1. Under **PERSONAL LIABILITY** and **MEDICAL PAYMENTS TO OTHERS**, we do not cover **bodily injury** or **property damage**:
 - a. resulting from intentional acts caused by or at the direction of any **insured person**. This applies whether or not the resulting **bodily injury** or **property damage** was expected or intended. This exclusion applies even if the **insured person** is insane, intoxicated or otherwise impaired if a person without that impairment who committed such an act would otherwise be deemed to have acted with the intent to cause **bodily injury** or **property damage**;
 - b. arising out of any criminal act;
 - c. arising out of or in connection with a **business** conducted from an **insured premises** or engaged in by an **insured person**. This applies whether or not the **business** is owned or operated by an **insured person** or employs an **insured person**.

This Exclusion (1.c.) 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**.

This Exclusion (1.c.) does not apply to the rental or holding for rental of an **insured premises**:

 - (1) on an occasional basis if used only as a residence; or
 - (2) in part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders;
 - d. arising out of the rendering or failure to render professional services;

- e. arising out of a premises:
 - (1) owned by an **insured person**;
 - (2) rented to an **insured person**; or
 - (3) rented to others by an **insured person**;
 that is not an **insured premises**;

- f. arising out of the:
 - (1) the ownership, maintenance, occupancy, operation, use, loading or unloading of **motor vehicles** or all other motorized land conveyances, including trailers, owned or occupied by or rented or loaned to an **insured person**;
 - (2) the entrustment by an **insured person** of a **motor vehicle** or any other motorized land conveyance to any person;
 - (3) vicarious liability, whether or not statutorily imposed, for the actions of a child or minor involving a **motor vehicle** or other motorized land conveyance; or
 - (4) failure to supervise, or negligent supervision of, any person involving a **motor vehicle** or other motorized land conveyance by an **insured person**

This exclusion does not apply to:

- (1) a trailer not towed by or carried on a motorized land conveyance; or
- (2) a **motor vehicle** or conveyance in dead storage on an **insured premises**;

- g. arising out of:
 - (1) the ownership, maintenance, occupancy, operation, use, loading or unloading of an excluded watercraft described below;
 - (2) the entrustment by an **insured person** of an excluded watercraft described below to any person;
 - (3) vicarious liability, whether or not statutorily imposed, for the actions of a child or minor involving an excluded watercraft described below; or
 - (4) failure to supervise, or negligent supervision of, any person involving an

excluded watercraft described below by an **insured person**.

Excluded watercraft are:

- (1) jet-skis, wet-bikes, wave-runners or any jet-driven water conveyance, regardless of horsepower or displacement, whether owned by or rented to an **insured person**; and
- (2) other watercraft that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an **insured person**.

This exclusion (2) does not apply to watercraft:

- (a) owned or operated by, or rented or loaned to any **insured person** if the watercraft has inboard or inboard-outdrive motor power of 50 horsepower or less, or is a sailing vessel with or without auxiliary power, less than 26 feet in overall length; or
- (b) powered by one or more outboard motors with 25 total horsepower or less, owned or operated by, or rented or loaned to any **insured person** at the inception of this policy. If you report to us in writing within 45 days after acquisition, an intention to insure any outboard motors acquired during the policy period, and if we agree, coverage will apply.

This Exclusion g. does not apply while the watercraft is stored;

- h. arising out of:
 - (1) the ownership, maintenance, occupancy, operation, use, loading or unloading of an **aircraft**;
 - (2) the entrustment by an **insured person** of an **aircraft** to any person;
 - (3) vicarious liability, whether or not statutorily imposed, for the actions of a child or minor involving an **aircraft**; or
 - (4) failure to supervise, or negligent supervision of, any person involving an **aircraft** by an **insured person**.

- i. caused directly or indirectly by war. War includes the following and any consequence of any of the following:
 - (1) undeclared war, civil war, insurrection, rebellion, revolution;
 - (2) warlike act by a military force or military personnel; or
 - (3) destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act, even if accidental;
 - j. arising out of defective or improper manufacture, latent defect, installation, movement, setup or transport of the insured dwelling;
 - k. arising out of communicable diseases or sickness as may have been transmitted by you or any **insured person** or as may have arisen from your or any **insured person's** activities;
 - l. arising out of any sexual act. This includes, but is not limited to, assault, molestation, abuse, incest or rape;
 - m. arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a controlled substance(s) as defined by the Federal Food and Drug Law at 21 USCA 811 and 812. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician;
 - n. arising out of the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**, whether intended or not;
 - o. for any loss, cost or expense arising out of any governmental direction or request that any **insured person** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**; and
 - p. arising out of corporal punishment or physical or mental abuse.
2. **PERSONAL LIABILITY** does not apply to:
- a. liability assumed under any oral or written contract or agreement or by contract or agreement in connection with any **business** of any **insured person**;
3. **MEDICAL PAYMENTS TO OTHERS** 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 by any **insured person**;
 - b. to any person eligible to receive any benefits required to be provided or voluntarily provided under any workers compensation, non-occupational disability or occupational disease law;
 - c. from any nuclear reaction, radiation or radioactive contamination, whether controlled or uncontrolled or however caused, or any consequence of any of these; or
 - d. to a resident of the **insured premises**, other than a **residence employee**;
- b. **property damage** to property owned by any **insured person**;
 - c. **property damage** to property rented to, occupied or used by, or in the care, custody or control of any **insured person**. This exclusion does not apply to **property damage** caused by fire, smoke or explosion;
 - d. **bodily injury** to you, an **insured person** within the meaning of part a. or b. of **insured person** as defined, or any other resident of the **residence premises**;
 - e. **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by any **insured person** under any workers compensation, non-occupational disability, or occupational disease law; or
 - f. **bodily injury** or **property damage** for which any **insured person** under this policy is also an insured under a Nuclear Energy Liability Policy or would be an insured but for its termination upon exhaustion of its liability limit. A Nuclear Energy Liability Policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors.

SECTION II - CONDITIONS

1. What You Must Do in Case of Loss

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

- a. give written notice to us or our agent as soon as practicable. The notice must state:
 - (1) the identity of the policy and **insured person**;
 - (2) reasonably available information regarding the time, place and circumstances of the accident or **occurrence**; and
 - (3) names and addresses of any claimants and available witnesses;
- b. promptly forward to us every notice, demand, summons or other document relating to the accident or **occurrence**;
- c. at our request, submit to examination under oath, as often as we require, while not in the presence of any other **insured person**, and sign the same; and
- d. at our request, assist in:
 - (1) making settlement;
 - (2) the enforcement of any right of contribution or indemnity against any person or organization who may be liable to any **insured person**;
 - (3) the conduct of suits and attend hearings at trials; and
 - (4) securing and giving evidence and obtaining the attendance of witnesses;
- e. under the coverage **Damage to Property of Others**, submit to us within sixty (60) days after the loss, a sworn statement of loss and show the damaged property, if within an **insured person's** control;
- f. 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**.

2. Duties of an Injured Person - Medical Payments to Others

- a. 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; and
 - (2) execute authorization to allow us to obtain copies of medical reports and records;
- b. The injured person shall submit to physical examination by a physician selected by us when and as often as we reasonably require.

3. Liability Limit

- a. Our total liability under **PERSONAL LIABILITY** stated in this policy for all damages resulting from any one **occurrence** shall not exceed the liability limit for this coverage as stated in the Declarations. This applies regardless of the number of **insured persons**, claims made or persons injured.
- b. Our total liability under **MEDICAL PAYMENTS TO OTHERS** for all medical expense payable for **bodily injury** to one person as a result of one **occurrence** shall not exceed the liability limit for this coverage as stated in the Declarations.

4. Suit Against Us

Legal action may not be brought against us unless there has been full compliance with all policy provisions. No one may make us a party to any action against an **insured person**. No action under **PERSONAL LIABILITY** can be brought against us until the obligation of an **insured person** has been determined by final judgment after a trial and exhaustion of appeals or by agreement signed by us.

5. Bankruptcy

We are not relieved of any obligation under this section because of the bankruptcy or insolvency of an **insured person**.

6. Other Insurance

Insurance under this section shall apply as excess insurance over other valid and collectible insurance that would apply in the absence of this policy.

7. Severability of Insurance

This insurance applies separately to each **insured person**. This condition will not increase our limit of liability for any one **occurrence**.

CONDITIONS APPLYING TO SECTION I AND SECTION II

1. Liberalization Clause

- a. If we make a change that broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state. The implementation date must fall within 60 days prior to or during the policy period stated in the Declarations.
- b. This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
 - (1) a subsequent edition of this policy; or
 - (2) an amendatory endorsement.

2. Policy Period

This policy applies only to loss in **SECTION I** or **bodily injury** or **property damage** in **SECTION II** that occurs during the policy period.

3. Concealment or Fraud

The entire policy will be void if, whether before, during or after a loss or **occurrence**, an **insured person** has:

- a. intentionally concealed or misrepresented any material fact or circumstance;
- b. engaged in fraudulent conduct; or
- c. made false statements; relating to this insurance.

4. Waiver or Change of Policy Provisions

A waiver or change of any provision of this policy must be authorized by us in writing in order to be valid. Our request for an appraisal or examination shall not waive any of our rights.

5. Assignment

Assignment of this policy will not be valid unless we give our written consent.

6. Cancellation

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the future date cancellation is to take effect.

- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (2) 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 letting you know at least 10 days before the date cancellation takes effect.
- (3) 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:
 - (a) if there has been a material misrepresentation of fact that, if known to us, would have caused us not to issue the policy; or
 - (b) if the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

- d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

7. Nonrenewal

If we elect not to renew this policy, we will provide written notice to you, at your address shown in the Declarations, at least 30 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.

8. **Subrogation - Our Right to Recover Payment**

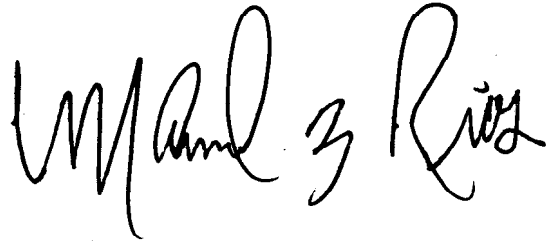
- a. After making payment under this policy, we will have the right to recover from anyone held responsible. The **insured person** will sign papers and do whatever is required to transfer this right to us, and do nothing to harm this right.
- b. Anyone receiving the benefit of a payment under this policy will hold in trust for us the proceeds of any recovery of damages from another party, and reimburse us to the extent of our payment.
- c. This Condition does not apply, under **SECTION II, to MEDICAL PAYMENTS TO OTHERS or ADDITIONAL COVERAGES, Item 2., Damage to Property of Others.**

9. **Death**

If any person named in the Declarations or the spouse, if a resident of the **residence premises**, dies, the following apply:

- a. We insure the legal representative of the deceased, but only with respect to the premises and property of the deceased covered under the policy at the time of death; and
- b. **"Insured Person"** includes:
 - (1) an **insured person** who is a member of your household at the time of your death, but only while a resident of the **residence premises**; and
 - (2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

IN WITNESS WHERE OF, we have caused this policy to be signed by its President and Secretary, at Amelia, Ohio, and countersigned in the Declarations by a duly authorized representative of the Company.



President



Secretary