

SECURED PARTY'S INTEREST ADDITIONAL COVERAGE

(Entries required to complete the Schedule will be shown below or on the "declarations".)

Schedule

- A. Coverage for the following additional perils: applies
 does not apply

1. flood or other rising water from outside the mobile or manufactured home; and
2. earthquake.

- B. Coverage under this endorsement attaches as of:

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

are a person, a family member who resides with "you";

- b. the inability to repossess the mobile or manufactured home because:

- 1) "we" have been unable to locate the mobile or manufactured home for a period of 30 days after notice of a loss; or
- 2) the secured party has been unable to recover the mobile or manufactured home from a third party to which it has been transferred without consent, in spite of a properly perfected security interest; and

- c. partial as well as total loss of the mobile or manufactured home.

3. "Date of loss" is the date of repossession or, if the mobile or manufactured home is not recovered, 30 days after notice of loss.

4. "Impairment" means that as a result of the covered loss, the value of the mobile or manufactured home is less than the security interest of the secured party.

5. "Outstanding balance" means the balance due under the finance agreement on the "date of loss", but not including:

DEFINITIONS

With respect to the coverage provided by this endorsement only, the following definitions are added:

1. "Collision" means:
 - a. accidental contact of the mobile or manufactured home while it is in transit with:
 - 1) another object; or
 - 2) its transporting vehicle, or parts or equipment attached to such vehicle; or
 - b. upset of the mobile or manufactured home while it is in transit.
2. "Conversion, embezzlement, or secretion" includes:
 - a. intentional damage to the mobile or manufactured home by "you" or, if "you"

- a. installments more than 30 days past due at the "date of loss";
- b. unearned interest, financing, and carrying charges; or
- c. penalties of any type added after inception of the finance agreement.

- a. "you" have defaulted in payments due under the finance agreement; and
- b. the secured party has repossessed the mobile or manufactured home or, in the case of loss caused by "conversion, embezzlement, or secretion", has made every reasonable effort to repossess the mobile or manufactured home.

PROPERTY COVERAGES

1. "We" cover the secured party named on the "declarations" against direct loss sustained by "impairment" of its security interest in the mobile or manufactured home covered under Coverage A caused by:

- a. "collision";
- b. "conversion, embezzlement, or secretion" by an insured; or
- c. either of the following perils, but only if item A. in the Schedule above indicates that coverage for such perils applies:
 - 1) flood or other rising water from outside the mobile or manufactured home; or
 - 2) earthquake. One or more earthquake shocks that occur within a 72-hour period will be considered a single earthquake.

2. Coverage under this endorsement attaches as of:

- a. the date shown in item B. in the Schedule; or
- b. the date of perfection of a valid and legally enforceable finance agreement on the mobile or manufactured home;

whichever is later.

3. Coverage under this endorsement applies only if there has been an "impairment" of the security interest and:

4. If item A. in the Schedule indicates that coverage for the additional perils of flood or other rising water from outside the mobile or manufactured home and earthquake applies, General Exclusions is amended as follows:

- a. under Earth Movement, the references to:

- 1) earthquake, earth tremor, or earth temblor; and
- 2) soil liquefaction caused by earthquake, earth tremor, or earth temblor; and

- b. under Water, item 1);

do not apply with respect to the coverage provided by this endorsement.

WHAT MUST BE DONE IN CASE OF LOSS

With respect to the coverage provided by this endorsement, the "terms" under What Must Be Done In Case Of Loss are deleted and replaced by the following:

1. **Notice** -- If the secured party becomes aware of anything that indicates there might be a claim under this coverage, it must:

- a. promptly give "us" or "our" agent written notice;
- b. send "us" all records pertaining to the security transaction; and

- c. notify the police if the loss involves "conversion, embezzlement, or secretion".

2. Recovery And Protection Of Property --
The secured party must:

- a. take all reasonable steps to protect the mobile or manufactured home to avoid further damage; and
- b. make a reasonable effort to repossess the mobile or manufactured home.

3. Proof Of Loss -- The secured party must submit a sworn statement of loss within 60 days after the "date of loss" containing the following information:

- a. the date, time, place, cause, and details of the loss;
- b. the "outstanding balance" due under the finance agreement;
- c. other policies of insurance that may cover the loss; and
- d. in the case of a partial loss, an inspection report itemizing the loss as of the date of repossession and certified by the person who repossessed the mobile or manufactured home.

- c. what it would cost to repair or replace the mobile or manufactured home with materials of equivalent kind and quality.

However:

- 1) cost to repair or replace does not include any increased cost that results from the enforcement of a code, an ordinance, or a law, except to the extent that coverage for such cost is provided by this policy; and
- 2) in the case of a partial loss, if there is a loss to part of a pair, set, or series of pieces or panels, "we" pay only for the reasonable cost to:
 - a) repair or replace the damaged part to match the remaining pieces or panels as nearly as possible; or
 - b) provide a suitable cosmetic effect or function, as warranted.

These "terms" do not serve as a guarantee that replacement pieces or panels will be available.

"We" do not pay for the value, repair, or replacement of undamaged pieces or panels except to the extent required by the enforcement of a code, an ordinance, or a law, and then only to the extent that coverage for increased cost resulting from the enforcement of a code, an ordinance, or a law is provided by this policy.

HOW MUCH WE PAY FOR LOSS

With respect to the coverage provided by this endorsement, the "terms" under How Much We Pay For Loss are deleted and replaced by the following:

- 1. "Our" liability under this coverage is limited to the least of the following amounts:
 - a. the actual cash value of the mobile or manufactured home less salvage;
 - b. the amount of the security interest as represented by the "outstanding balance"; and

- 2. If there has been a "conversion, embezzlement, or secretion" of the mobile or manufactured home and it is found without any physical damage within 60 days after notice of loss, "we" may pay:
 - a. expenses incurred in locating and recovering the property; and
 - b. expenses incurred in transporting the mobile or manufactured home to the location described below that is nearest to the point of recovery:

- 1) the business address of the secured party;
 - 2) the address of the selling dealer;
 - 3) the address of the last owner known to the secured party; or
 - 4) the address of the "described location".
3. "We" have the option to:
- a. pay the loss in money;
 - b. pay the cost of repairing the mobile or manufactured home; or
 - c. rebuild, repair, or replace with property of equivalent kind and quality, to the extent practicable, within a reasonable time.
4. If the secured party's interest has been satisfied by the selling dealer at the time of loss under a repurchase or recourse agreement, "we" will settle the loss with the selling dealer in place of the secured party.

CONDITIONS

1. With respect to the coverage provided by this endorsement, Subrogation is deleted and replaced by the following:

Subrogation -- "We" waive "our" right to subrogation against the secured party except for actions resulting from fraud by the secured party.

"We" waive any right to subrogation against "you" except for actions resulting from fraud, "conversion, embezzlement, or secretion", or other willful wrongdoing by "you" or, if "you" are a person, a family member who resides with "you".

2. With respect to the coverage provided by this endorsement, the following conditions are added:
 - a. **Secured Party's Protection** -- The coverage provided by this endorsement is not invalidated by an act or neglect by "you" or a transfer of title of ownership of the mobile or manufactured home that occurs after "you" have defaulted in payments under the finance agreement.
 - b. **Refund Of Premium** -- The annual premium charged under this endorsement is a minimum premium charge to be retained in full by "us". Pro rata cancellation may be allowed when new insurance is written by "us" within 30 days covering a different mobile or manufactured home for the same "named insured". Pro rata cancellation is allowed when the policy is cancelled at "our" request.

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