

SERFF Tracking Number: FORE-125749567 State: Arkansas
Filing Company: Foremost Property & Casualty Insurance State Tracking Number: EFT \$50
Company
Company Tracking Number: D-12
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing at a Glance

Company: Foremost Property & Casualty Insurance Company

Product Name: Manufactured Home Insurance SERFF Tr Num: FORE-125749567 State: Arkansas
Program

TOI: 04.0 Homeowners

SERFF Status: Closed

State Tr Num: EFT \$50

Sub-TOI: 04.0002 Mobile Homeowners

Co Tr Num: D-12

State Status: Fees verified and
received

Filing Type: Form

Co Status:

Reviewer(s): Becky Harrington,
Betty Montesi

Author: Dianne Sytsma

Disposition Date: 08/29/2008

Date Submitted: 08/05/2008

Disposition Status: Approved

Effective Date Requested (New): 02/15/2009

Effective Date (New): 02/15/2008

Effective Date Requested (Renewal): 02/15/2009

Effective Date (Renewal):
02/15/2008

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 08/29/2008

State Status Changed: 08/06/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Refer to cover letter.

Company and Contact

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Becky Harrington	08/29/2008	08/29/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	08/06/2008	08/06/2008	Dianne Sytsma	08/28/2008	08/28/2008

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Disposition

Disposition Date: 08/29/2008

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Status: Approved

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover letter	Approved	Yes
Supporting Document	Exhibits X and Y	Approved	Yes
Supporting Document	Exhibits A and B	Approved	Yes
Supporting Document	Exhibits 1,2,4-6	Approved	Yes
Supporting Document	Exhibits 7 thru 10	Approved	Yes
Supporting Document	Exhibits 11 thru 13	Approved	Yes
Supporting Document (revised)	Table of Contents	Approved	Yes
Supporting Document	Table of Contents		Yes
Form	Excess Dwelling Coverage (Except for Non-Structural Hail Losses	Approved	Yes
Form	Scheduled Personal Property Coverage	Approved	Yes
Form	Additional Coverage Endorsement	Approved	Yes
Form	Coverage C - Personal Property Increase in Special Amount of Insurance	Approved	Yes
Form	Additional Residence - Owner-Occupied	Approved	Yes
Form	30-Day Trip Coverage	Approved	Yes
Form	Additional Insured - Nonresident	Approved	Yes
Form	Flood Coverage	Approved	Yes
Form	Unrelated Named Insured	Approved	Yes
Form	Earthquake	Approved	Yes
Form	Hobby Farm or Ranch and Animal Liability Endorsement	Approved	Yes
Form	Replacement Cost Personal Property	Approved	Yes
Form	Specific Structure Exclusion	Approved	Yes
Form	Animal Liability Exclusion - Personal Liability	Approved	Yes
Form	Water Damage From Sewers and Drains	Approved	Yes
Form	Incidental Business Liability Endorsement	Approved	Yes
Form	Homeowners Insurance for Manufactured Homes	Approved	Yes

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Form	Homeowners Insurance for Manufactured Homes - Property Coverage Only	Approved	Yes
Form	Additional Insured	Approved	Yes
Form	Certificate Holder	Approved	Yes
Form	Excess Dwelling Coverage	Approved	Yes
Form (revised)	Required Change - Arkansas	Approved	Yes
Form	Required Change - Arkansas		Yes
Form	Dwelling Replacement Cost Payment Method for Partial Loss Other Structures Replacement Cost Payment Method for Total and Partial Loss	Approved	Yes
Form	Additional Named Insured	Approved	Yes
Form	Declarations Page	Approved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/06/2008
Submitted Date 08/06/2008
Respond By Date
Dear Kaan Cidanli,

This will acknowledge receipt of the captioned filing.

Objection 1

- Homeowners Insurance for Manufactured Homes (Form)
- Homeowners Insurance for Manufactured Homes - Property Coverage Only (Form)

Comment: The mold/fungus loss or damage item does not appear to comply with Bulletin 10-2002. Molds/Fungi that are the result of any covered cause of loss must be covered to the applicable building/policy limit.

Objection 2

- Homeowners Insurance for Manufactured Homes (Form)
- Homeowners Insurance for Manufactured Homes - Property Coverage Only (Form)

Comment: The definition of ACV contains a statement that labor will be depreciated. The Department will be introducing legislation to amend our statutes to not allow labor to be depreciated. Please amend your language.

Please feel free to contact me if you have questions.

Sincerely,
Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/28/2008
Submitted Date 08/28/2008

Dear Becky Harrington,

Comments:

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Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Response 1

Comments: Dear Ms. Harrington,

1) Form 4279 08/08 – Required Change – Arkansas replaces Form 4279 06/08 – same title in order to add language which complies with Bulletin 10-2002.

2) We respectfully ask that we be allowed to keep this language in the definition unless or until legislation is enacted to prevent such depreciation. We would also take this opportunity to explain to the Department that its position should be reviewed. All depreciation includes depreciation of labor, either directly or indirectly. In the case of a roof that needs to be reshingled, some of the labor is in the factory that makes the shingles, and that labor is built into the price of the shingles, while additional labor is needed to install the shingles. It is inconsistent to allow indirect depreciation of the off site labor but not of the onsite labor. Furthermore, labor constitutes such a high percentage of certain repairs that disallowing the depreciation of direct labor would ostensibly bring the ACV settlement calculations on very old property so near to the Replacement Cost that our pricing would need to increase. The result would be harm to the customer who chose an ACV policy to keep costs down. Individuals that do not want labor depreciated can simply buy our Replacement Cost endorsement.

Please withdraw:

Table of Contents – Revised Printing 7/08
Form 4279 06/08 – Required Change – Arkansas

Please insert:

Table of Contents – Revised Printing 8/08
Form 4279 08/08 – Required Change – Arkansas

Your attention to this filing is appreciated. Please let me know if I may be of further assistance.

Very truly yours,

Kaan K. Cidanli
State Filings Administrator
State Filings
Phone No. (616) 956-3645
Fax No. (616) 956-2093
e-mail: kaan.cidanli@foremost.com

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KKC/ds

Related Objection 1

Applies To:

- Homeowners Insurance for Manufactured Homes (Form)
- Homeowners Insurance for Manufactured Homes - Property Coverage Only (Form)

Comment:

The mold/fungus loss or damage item does not appear to comply with Bulletin 10-2002. Molds/Fungi that are the result of any covered cause of loss must be covered to the applicable building/policy limit.

Related Objection 2

Applies To:

- Homeowners Insurance for Manufactured Homes (Form)
- Homeowners Insurance for Manufactured Homes - Property Coverage Only (Form)

Comment:

The definition of ACV contains a statement that labor will be depreciated. The Department will be introducing legislation to amend our statutes to not allow labor to be depreciated. Please amend your language.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Table of Contents

Comment:

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Required Change - Arkansas	4279	08/08	Endorsement/Amendment/Conditions	Replaced		50	4279_0808.pdf
Previous Version Required Change - Arkansas	4279	06/08	Endorsement/Amendment/Conditions	Replaced		50	4279_0608.pdf

SERFF Tracking Number: FORE-125749567 State: Arkansas
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 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Excess Dwelling Coverage (Except for Non-Structural Hail Losses	2469	07/08	Endorsement/Amendment/Conditions	Replaced Form #:56.056934 07/98 Previous Filing #:		2469_0708.pdf
Approved	Scheduled Personal Property Coverage	3412	01/07	Endorsement/Amendment/Conditions	Replaced Form #:55.762989 03/97 Previous Filing #:		3412_0107.pdf
Approved	Additional Coverage Endorsement	4035	01/07	Endorsement/New		54.81	4035_0107.pdf
Approved	Coverage C - Personal Property Increase in Special Amount of Insurance	4041	01/07	Endorsement/Amendment/Conditions	Replaced Form #:45.115717 05/98 Previous Filing #:		4041_0107.pdf
Approved	Additional Residence - Owner-Occupied	4043	01/07	Endorsement/Amendment/Conditions	Replaced Form #:27.152987 09/96 Previous Filing #:		4043_0107.pdf
Approved	30-Day Trip Coverage	4044	01/07	Endorsement/Amendment/Conditions	Replaced Form #:55.743052 03/97 Previous Filing #:		4044_0107.pdf
Approved	Additional Insured - Nonresident	4045	01/07	Endorsement/Amendment/Conditions	Replaced Form #:32.563054 11/96 Previous Filing #:		4045_0107.pdf
Approved	Flood Coverage	4046	10/07	Endorsement/Replaced	Replaced Form #:49.91		4046_1007.pdf

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Approval	Description	Policy #	Effective Date	Policy Type	Amount	Previous Filing #	File Name
				nt/Amendm ent/Condi ons	2434 03/97		df
Approved	Unrelated Named Insured	4047	01/07	Endorsement/Amendm ent/Condi ons	Replaced Form #:60.40 3421 02/96	Previous Filing #:	4047_0107.p df
Approved	Earthquake	4048	01/07	Endorsement/Amendm ent/Condi ons	Replaced Form #:58.05 3057 02/97	Previous Filing #:	4048_0107.p df
Approved	Hobby Farm or Ranch and Animal Liability Endorsement	4054	01/07	Endorsement/Amendm ent/Condi ons	New 54.28		4054_0107.p df
Approved	Replacement Cost Personal Property	4055	01/07	Endorsement/Amendm ent/Condi ons	Replaced Form #:50.53 5640 06/99	Previous Filing #:	4055_0107.p df
Approved	Specific Structure Exclusion	4056	01/07	Endorsement/Amendm ent/Condi ons	New 34.59		4056_0107.p df
Approved	Animal Liability Exclusion - Personal Liability	4057	01/07	Endorsement/Amendm ent/Condi ons	New 41.73		4057_0107.p df
Approved	Water Damage From Sewers and Drains	4058	01/07	Endorsement/Amendm ent/Condi ons	New 52.70		4058_0107.p df
Approved	Incidental Business Liability Endorsement	4060	01/07	Endorsement/Amendm ent/Condi ons	New 55.52		4060_0107.p df
Approved	Homeowners Insurance for	4085	01/08	Policy/Coverage Form	Replaced Form #:50.48 3826 03/97		4085_0108.p df

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				Manufactured Homes			Previous Filing #:
Approved	Homeowners Insurance for Manufactured Homes - Property Coverage Only	4086	01/08	Policy/Coverage Replaced Form	Replaced Form #:51.38 3832 03/97		4086_0108.pdf
Approved	Additional Insured	4093	11/07	Endorsement/Amendment/Conditions	36.79		4093_1107.pdf
Approved	Certificate Holder	4094	03/06	Endorsement/Amendment/Conditions	43.14		4094_0306.pdf
Approved	Excess Dwelling Coverage	4258	06/08	Endorsement/Amendment/Conditions	Replaced Form #:55.48 6933 07/98		4258_0608.pdf
Approved	Required Change - Arkansas	4279	08/08	Endorsement/Amendment/Conditions	Replaced Form #:50.00 4279 06/08		4279_0808.pdf
Approved	Dwelling Replacement Cost Payment Method for Partial Loss Other Structures Replacement Cost Payment Method for Total and Partial Loss	5106	01/08	Endorsement/Amendment/Conditions	55.12		5106_0108.pdf
Approved	Additional Named Insured	6586	02/08	Endorsement/Amendment/Conditions	62.93		6586_0208.pdf

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Product Name: Manufactured Home Insurance Program
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Approved	Declarations	82999	01/07	Declaration Replaced	Replaced Form #:	82999_0107.
	Page			s/Schedule	82000 03/97	pdf
					Previous Filing #:	

EXCESS DWELLING COVERAGE
(Except Non-Structural Hail Losses)

2469 07/08

SECTION I - Our Payment Methods

Our Payment Methods for Coverage A - Dwelling and Coverage B - Other Structures are changed to read:

Coverage A - Dwelling

Total Loss

Agreed Loss Payment Method

A total loss occurs when your dwelling is damaged beyond reasonable repair.

When a total loss occurs, your loss will be equal to the Amount of Insurance shown on the Declarations Page.

If you do not replace your dwelling on the same **premises**, we will pay the Amount of Insurance shown on the Declarations Page.

If you do replace your dwelling on the same **premises** with a new dwelling of like kind and quality within 365 days of the loss, and if the cost to replace your dwelling exceeds the Amount of Insurance we have already paid to you, we will pay the additional amount that you actually spend for the replacement. But we will not pay any more than an additional 25% of the Amount of Insurance shown on the Declarations Page.

Partial Loss

Replacement Cost Payment Method

When a partial loss occurs, the amount we pay for loss to your dwelling will be the lowest of:

1. The **replacement cost** of the damaged portion of your dwelling.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

If the cost to repair or replace your damaged property is more than \$2,500, we will pay no more than the **actual cash value** of that damage until actual repair or replacement is completed.

We may make a cash settlement or repair your dwelling with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been restored or repaired.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365

days after the loss for any additional cost you incur in replacing your damaged dwelling. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your dwelling will be the lowest of:

1. The **actual cash value** of the damaged portion of your dwelling at the time of the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement or repair or replace your dwelling with a dwelling of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been replaced, restored or repaired.

The damage to your dwelling will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Partial Loss - Non-structural Hail

Hail often dents the exterior surface of a dwelling. Since there is not structural damage, this will in no way affect the utility of the dwelling. When this type of loss occurs, the amount we pay will be the lowest of:

1. The difference between the **actual cash value** of your dwelling immediately before the loss and its **actual cash value** immediately after the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page for your dwelling.

Coverage B - Other Structures

Total and Partial Loss

Replacement Cost Payment Method

The amount we pay for loss to your other structure will be the lowest of:

1. The **replacement cost** of the damaged portion of your other structure.

2. The amount actually spent for necessary repair or replacement of the damaged portion to your other structure.
3. The Amount of Insurance shown on the Declarations Page.

If the replacement cost for your damaged property is more than \$2,500, we will pay no more than the **actual cash value** of that damage until actual repair or replacement is completed.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your damaged property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365 days after the loss for any additional cost you incur in replacing your damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your other structure will be the lowest of:

1. The **actual cash value** of the damaged part of your other structure at the time of the loss.
2. The amount required to repair or replace your damaged other structure.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value, or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

The damage to your property will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Partial Loss - Non-structural Hail

Hail often dents the exterior surface of other structures. Since there is not structural damage, this will in no way affect the utility of the other structures. When this type of loss occurs, the amount we pay will be the lowest of:

1. The difference between the **actual cash value** of your damaged other structures immediately before the loss and its **actual cash value** immediately after the loss.
2. The amount required to repair or replace your other structure.
3. The Amount of Insurance shown on the Declarations Page for your other structure.

DEFINITIONS

Replacement cost means:

The cost to repair or replace property, without deduction for depreciation, with new property of like kind and quality using materials and construction methods which are generally used and are available at the time of the loss.

But **replacement cost** does not mean loss, damage or increased loss caused by enforcement of any governmental requirement regulating construction, repair, occupancy, renovation, remodeling or demolition.

SCHEDULED PERSONAL PROPERTY COVERAGE
3412 01/07

Your personal property shown on the Scheduled Personal Property List is insured up to the Amount of Insurance shown below for all physical loss except as may be limited by this endorsement. No deductible applies to this coverage.

TYPE OF SCHEDULED PERSONAL PROPERTY	AMOUNT OF INSURANCE	PREMIUM
1. Jewelry.	\$	\$
2. Furs and garments trimmed with fur or consisting principally of fur.		
3. Cameras, projection equipment, video tapes and discs, and related camera and projection accessories.		
4. Golfer's equipment and tools.		
5. Postage stamps and other philatelic property owned by you or in your custody or control.		
6. Rare and current coins and numismatic property owned by you or in your custody or control.		
7. Firearms.		
8. Fine arts, silverware, silver-plated ware gold ware, gold-plated ware and pewter ware. Memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contribute to their value.		
9. Musical instruments.		
TOTAL PREMIUM		

Additionally Acquired Scheduled Personal Property

If you buy or acquire additional jewelry, furs, cameras or musical instruments and the same type of personal property is already insured in this endorsement, we will insure it for 30 days after acquisition for the lesser of the following:

- Up to 25% of the Amount of Insurance shown for that type of personal property.
- \$10,000.

If you buy or acquire additional fine arts and the same type of personal property is already insured in this endorsement, we will insure it for 30 days after acquisition for the lesser of the following:

- Up to 25% of the Amount of Insurance shown for that type of personal property.
- The **actual cash value** of the objects.

You must tell us within 30 days of your acquisition of your desire to continue this additional insurance. Any change in your premium will be made at that time.

Articles Subject to Limited Coverage

Golfer's equipment: Insurance is provided for golf clubs, golf clothing and golf equipment. We insure golf clothing while contained in any locker situated in a clubhouse or other building used in connection with golf. Watches, jewelry, and golf balls are excluded from coverage.

Non-described stamps and coins: We will pay the lesser of:

- The **actual cash value** of the property at the time of loss.

- \$250 for any one non-described stamp, coin or other individual article, or any one pair, strip, block, series, sheet, cover, frame or card.

We will not pay more than the total Amount of Insurance shown for all losses from one occurrence.

Silverware: We insure silverware including gold ware and pewter ware, but we do not insure pens, pencils, flasks, pipes and jewelry.

Our Payment Methods

The amount we pay for loss to your Scheduled Personal Property will be the lowest of:

- The **replacement cost** of the damaged portion of the article.
- The amount actually spent for necessary repair or replacement of the damaged portion of the article.
- The cost to replace the article with similar kind, quality and value.
- The Amount of Insurance shown for the article.

Our Payment Method for Specific Types of Loss

PAIRS AND SETS

The amount we pay for loss to Pairs and Sets will be the lowest of:

- The cost to repair or replace any part to restore the pair or set to its value before the loss.

2. The difference between **actual cash value** of the pair or set before and after the loss.
3. The Amount of Insurance shown for the pair or set.

We cannot guarantee the availability of parts or replacements. We will not be obligated for the cost of repairing or replacing the entire pair, set or series of objects or pieces when a part is lost or damaged.

In the event any total loss occurs and we pay you the Amount of Insurance shown, you may keep the article or remaining article or articles of the pair or set, and our payment will be reduced by the **actual cash value** of the articles you keep.

Exclusions

We do not insure 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.

1. Loss intentionally caused by any of you or performed at any of your direction.
2. Loss caused by war, whether declared or undeclared, including civil war, insurrection, rebellion or revolution.
3. Loss caused by:

- a. Flood water, surface water, waves, tidal water, storm surge, tsunami or overflow of a body of water from any source including spray from any of these whether or not driven by wind.
- b. Water or sewage which backs up through sewers or drains or that which overflows from a sump.

This exclusion applies whether or not there was widespread damage and whether or not the loss was caused by a human activity or an act of nature.

This exclusion does not apply to ensuing loss caused by fire or explosion.

4. Loss caused by:
 - a. Wear and tear, marring, scratching, deterioration, rust or other corrosion.
 - b. Inherent vice, latent defect, mechanical breakdown, manufactured defect or mechanical failure.
 - c. Mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind.
 - d. Insects or domestic household animals or pets.

This exclusion does not apply to:

- a. Ensuing loss caused by fire or explosion.
- b. Water damage caused by water that suddenly escapes from a plumbing, heating, fire protection sprinkler or air conditioning system or domestic appliance because of any of the above.

5. Loss to scheduled personal property while used in your **business**.
6. Loss caused by breakage of eyeglasses, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles unless the breakage is caused by or results from:

- a. Fire, lightning, windstorm or hail.
- b. Explosion, riot or civil commotion.
- c. Aircraft, vehicles or vandalism and malicious mischief.
- d. Theft or attempted theft.
- e. Collision, derailment or overturn of a conveyance.
- f. The breakage is caused by earthquake and Earthquake Coverage is shown on the Declarations Page.

This exclusion does not apply to jewelry, watches, bronzes, cameras and photographic lenses.

7. Loss caused by nuclear reaction, explosion, radiation or radioactive contamination.

This exclusion does not apply to ensuing loss caused by fire or explosion.

8. Loss caused by earthquake unless Earthquake Coverage is shown on the Declarations Page.
9. Loss to fine arts caused by any attempt of restoration, retouching or repair.
10. Loss to fine arts that have not been packed and unpacked by competent packers.
11. Loss to fine arts while on public display.
12. Loss due to mysterious disappearance of non-described individual stamps or coins which are part of a pair or set.
13. Loss to stamps or coins while being sent from one place to another.
14. Loss to stamps or coins due to theft from any unattended motor vehicle.
15. Loss to stamps or coins due to fading, creasing, denting, scratching, tearing, thinning, transfer of colors, inherent defect, dampness, extremes of temperature, gradual depreciation or damage sustained from handling or while being actually worked upon.

Additional Conditions for Scheduled Personal Property Coverage

1. If the Scheduled Personal Property List indicates that an item of property has been rated as "in-vault," you agree to keep the items in a safe deposit box located in a bank vault, trust or safe deposit company. If you notify us, we may grant permission to remove the scheduled personal property from the vault, trust or safe deposit company for up to 10 days.
2. We insure the described property, other than fine arts, wherever it may be located. We insure described fine arts only while within the United States and Canada.
3. If we pay for a total loss to any listed article, pair, set or collection insured by this endorsement, the Amount of Insurance is reduced for that article, pair, set or collection by the amount of our payment.

ADDITIONAL COVERAGE ENDORSEMENT
Increase in Amounts of Insurance/Limits of Liability
4035 01/07

SECTION I - Your Property Coverages

Your Additional Coverages

The following changes apply to the applicable Amounts of Insurance.

3. Emergency Removal of Your Personal Property.

The total amount we will pay is increased from \$250 to \$500.

9. Loss Assessment.

The total amount we will pay is increased from \$1,000 to \$10,000.

10. Ordinance or Law.

The total amount we will pay is increased from 5% to 10%.

Please refer to Your Additional Coverages in your policy for the complete coverage description.

SECTION II - Your Additional Coverages

The following change applies to the applicable Limits of Liability.

4. Loss Assessment.

The total amount of liability we will pay is increased from \$1,000 to \$10,000.

Please refer to Your Additional Coverages in your policy for the complete coverage description.

4035 01/07

All other provisions of your policy apply.

**COVERAGE C - PERSONAL PROPERTY
INCREASE IN SPECIAL AMOUNT OF INSURANCE FOR TOOLS
4041 01/07**

Coverage C - Personal Property Special Amount of Insurance for personal property group 10. Tools is increased to:

10. \$10,000 Tools.

4041 01/07

All other provisions of your policy apply.

ADDITIONAL RESIDENCE - OWNER-OCCUPIED

4043 01/07

Definitions

The definition of **premises** for purposes of SECTION II - Your Liability Coverages is changed to include:

6. Your additional owner-occupied premises described on this endorsement.

ADDRESS

4043 01/07

All other provisions of your policy apply.

30-DAY TRIP COVERAGE
4044 01/07

SECTION I - Your Property Coverages

Coverage A - Dwelling

Coverage C - Personal Property

Section I - Coverage A and C are amended to provide that we insure risk of direct, sudden and accidental physical loss to your dwelling and personal property in your dwelling during a **move**.

But we do not insure loss to wheels, tires, axles and running gear caused by collision.

SECTION I - Exclusions

Exclusion 16. does not apply when trip coverage is in effect.

Coverage begins at 12:01 a.m. on _____
and ends thirty consecutive days thereafter at 12:01 a.m.

Premium

The premium for 30-Day Trip Coverage is not refundable.

4044 01/07

All other provisions of your policy apply.

ADDITIONAL INSURED - NONRESIDENT

4045 01/07

Name and Address of Person or Organization

-

Interest:

Insuring Agreement

The third paragraph is changed to include:

You, your and yours also mean the person or organization named on this Additional Insured - Nonresident endorsement with respect to:

1. Coverage A - Dwelling and Coverage B - Other Structures.
2. Coverage E - Personal Liability and Coverage F - Medical Payments To Others Coverages, if provided by the policy, but only with respect to the ownership, maintenance or use of your **premises** shown on the Declarations Page.

Personal Liability does not apply to **bodily injury** to any employee arising out of or in the employee's employment by the additional insured.

4045 01/07

All other provisions of your policy apply.

FLOOD COVERAGE
4046 10/07

SECTION I - Your Property Coverages

We insure direct loss to insured property caused by flood water, surface water, waves, tidal water, storm surge, tsunami, or overflow of a body of water from any source including spray, from any of these whether or not driven by wind.

SECTION I - Exclusions

The following exclusion is deleted:

- 6.a. Flood water, surface water, waves, tidal water, storm surge, tsunami, or overflow of a body of water from any source including spray, from any of these whether or not driven by wind.

4046 10/07

All other provisions of your policy apply.

UNRELATED NAMED INSURED
4047 01/07

insuring Agreement

The third paragraph is changed to include:

You, your and yours also mean the additional person named on the Declarations Page while that person is a full-time resident of your dwelling.

4047 01/07

All other provisions of your policy apply.

EARTHQUAKE
4048 01/07

SECTION I - Your Property Coverages

We insure risk of direct, sudden and accidental physical loss to insured property caused by earthquake. If more than one earthquake shock occurs during a 72-hour period, all such shocks will constitute one earthquake.

We do not insure loss due directly or indirectly to:

1. Flood water, surface water, waves, tidal water, storm surge, tsunami or overflow of a body of water from any source including spray from any of these whether or not driven by wind.
2. Water or sewage which backs up through sewers or drains or that which overflows from a sump.
3. Water below the surface of the ground regardless of its source. This includes water which exerts pressure on or flows, seeps or leaks through any part of the dwelling or other structures, foundation, sidewalk, driveway or swimming pool.

This exception applies whether or not there was widespread damage and whether or not the loss was caused by a human activity, earthquake or an act of nature.

We do insure loss caused by fire or explosion.

Declarations Page

SECTION I - Deductible

Coverage A - Dwelling

Coverage B - Other Structures

Coverage C - Personal Property

Each loss under Coverage A includes a total loss of the dwelling and Coverage B and Coverage C will be subject to a deductible which is the greater of:

1. 10% of the Amount of Insurance for the coverage shown on the Declarations Page; or
2. \$1,000.

The deductible for each coverage will be applied to the lesser of:

1. The loss for each coverage; or
2. The Amount of Insurance for each coverage.

An example of your earthquake deductible

When you buy earthquake coverage, your deductible for earthquake damage is 10% of each coverage, with a minimum \$1,000 deductible per coverage. We apply the deductible separately to your dwelling, personal property and other structures. The following chart gives an example of how the earthquake deductible would apply.

This is just an example:

Dwelling insured at \$20,000	\$2,000 deductible
Personal property insured at \$10,000	\$1,000 deductible
Other structures insured at \$2,000	\$1,000 deductible*
TOTAL DEDUCTIBLE	\$4,000 deductible

* A minimum deductible of \$1,000 is applied.

SECTION I - Exclusions

The following exclusion is deleted:

17. Loss caused by earthquake, including landshock, waves or tremors before, during, or after volcanic eruptions.

HOBBY FARM OR RANCH AND ANIMAL LIABILITY ENDORSEMENT
4054 01/07

Definitions

The definition of **business** is changed to read:

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

Business does not mean:

1. The rental or holding for rental, of part of your **premises** for use as a dwelling, unless the rental is to three or more roomers or boarders.
2. The rental or holding for rental, of part of your **premises** as a private garage, office, school or studio.
3. Incidental **farming** or **ranching** operations conducted on your **premises** unless the gross income from these operations is more than \$5,000 a year.

SECTION II -Your Liability Coverages

Coverage F - Medical Payments To Others

Coverage F - Medical Payments To Others is changed to read:

We will pay for you, up to the Limit of Liability shown on the Declarations Page, the actual, reasonable and necessary **medical expenses** incurred or medically determined within three years from the date of an accident causing **bodily injury**. Coverage F - Medical Payments to Others applies only to accidents that occur during the Policy Period shown on the Declarations Page.

Medical Payments To Others applies only:

1. To a person on your **premises** with your permission.
2. To a person on or off your **premises** if the **bodily injury**:
 - a. Arises out of a condition in or on your **premises**.
 - b. Is caused by your activities.
 - c. Is caused by a **residence employee** in the course of duties for you.
 - d. Is caused by an animal owned by you or in your care.

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

SECTION II - Exclusions

Coverage E - Personal Liability

Coverage F - Medical Payments To Others

Exclusions 18. and 19. are deleted.

REPLACEMENT COST PERSONAL PROPERTY

4055 01/07

SECTION I - Our Payment Methods

Our Payment Methods for Coverage C - Personal Property are changed to read:

Coverage C - Personal Property

Replacement Cost Payment Method

The amount we pay for loss to your personal property will be the lowest of:

1. The **replacement cost** of the damaged portion of your personal property.
2. The amount actually spent for necessary repair or replacement of the damaged portion of your personal property.
3. The Amount of Insurance shown on the Declarations Page for your damaged personal property.
4. Any applicable Special Amounts of Insurance.

This Replacement Cost Payment Method does not apply to:

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
2. Memorabilia, souvenirs, trading cards, collectors items and similar articles whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

Insured losses for the above listed items will be settled on an Actual Cash Value Payment Method.

If the **replacement cost** for your damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your damaged property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365 days after the loss for any additional cost you incur in replacing the damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your personal property will be the lowest of:

1. The **actual cash value** of the lost or damaged portion of your personal property at the time of the loss.
2. The amount required to repair or replace your lost or damaged personal property.
3. The Amount of Insurance shown on the Declarations Page for your damaged personal property.
4. Any applicable Special Amount of Insurance on certain property.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

The damage to your personal property will reduce the Amount of Insurance available during the policy period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Replacement Cost means the cost to repair or replace property, without deduction for depreciation, with new property of like kind and quality.

4055 01/07

All other provisions of your policy apply.

SPECIFIC STRUCTURE EXCLUSION

4056 01/07

The structures described on this endorsement are excluded from all coverages provided in SECTION I Coverage B - Other Structures, and SECTION I Your Additional Coverages.

4056 01/07

All other provisions of your policy apply.

ANIMAL LIABILITY EXCLUSION - PERSONAL LIABILITY

4057 01/07

SECTION II - Exclusions

Coverage E - Personal Liability

Coverage F - Medical Payments To Others

The following exclusion is added:

We will not pay for **bodily injury** or **property damage** arising out of the ownership, custody, control or possession of animals, by you or any person residing on your **premises**.

Damage To Property Of Others

The following exclusion is added:

We will not pay for damage arising out of the ownership, custody, control or possession of animals, by you or any person residing on your **premises**, whether the **property damage** occurs on or away from your **premises**.

4057 01/07

All other provisions of your policy apply.

WATER DAMAGE FROM SEWERS AND DRAINS
4058 01/07

SECTION I - Exclusions

Exclusion 6.b. does not apply.

4058 01/07

All other provisions of your policy apply.

INCIDENTAL BUSINESS LIABILITY ENDORSEMENT

4060 01/07

Definitions

The definition of **business** is changed to read:

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

Business does not mean:

1. The rental or holding for rental, of part of your **premises** for use as a dwelling, unless the rental is to three or more roomers or boarders.

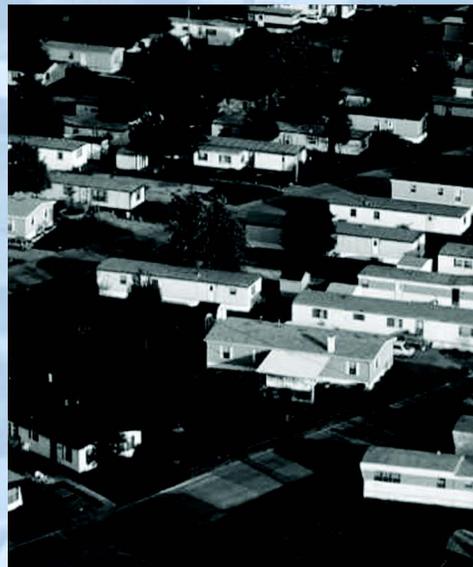
2. The rental or holding for rental, of part of your **premises** as a private garage, office, school or studio.
3. Incidental **business** operations, other than **farming** or **ranching**, conducted on your **premises** unless the gross income from these operations is more than \$5,000 a year.

4060 01/07

All other provisions of your policy apply.

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HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES

Read the entire policy carefully to determine rights, duties, and what is and is not insured. Various provisions in this policy restrict coverage.

Words and phrases that appear in **bold-faced type** have special meaning. Refer to the Definitions.

Insuring Agreement

With your payment of the premium, we agree to provide only the Coverages, Amounts of Insurance and Limits of Liability you have selected as shown on the Declarations Page. This is subject to all policy terms and conditions. This policy, which includes the Declarations Page and endorsements, if any, is the entire agreement between you and us regarding the insurance coverages expressed in it and supersedes all previous agreements regarding those coverages, either oral or written.

We, us and our mean the insurance company named on the Declarations Page.

You, your and yours mean the person named on the Declarations Page and that person's **family member**.

For purposes of SECTION II — Your Liability Coverages, you also mean:

1. Any person or organization legally responsible for animals, golf carts or watercraft to which this policy applies.

But you does not mean a person or organization using or having custody of your animals, golf carts or watercraft in the course of any

business or without the consent of any of you.

2. Any persons employed by any of you and other persons while they are using a vehicle insured by this policy on your **premises** and with the consent of any of you.

Definitions

Actual cash value means the amount it would cost to repair or replace insured property with new materials available today of like kind and quality, less adjustment for physical deterioration and depreciation, including obsolescence. Our adjustment for physical deterioration, depreciation and obsolescence applies to all costs including the cost of labor and material.

Bodily injury means:

1. Physical damage;
2. Sickness;
3. Disease; or
4. Death;

caused by an accident.

Business means any full or part-time:

1. Trade;
2. Profession;
3. Occupation; or
4. Activity;

including **farming** or **ranching**, engaged in for economic gain.

Business does not mean:

1. The rental, or holding for rental, of part of your **premises** for use as a dwelling, unless the rental is to three or more roomers or boarders.
2. The rental, or holding for rental, of part of your **premises** as a private garage, office, school or studio.

Family member means a person who:

1. Resides in your household; and
2. Is related to you by:
 - a. Blood;
 - b. Marriage; or
 - c. Adoption.

Family member also means your ward or foster child who resides in your household.

Farm or **Farming** means the ownership or use of land for cultivation of agricultural products. However, **farm** or **farming** does not include the ownership or use of land for the cultivation of a personal garden.

Medical expenses means reasonable charges for:

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

A **move** begins when the leveling jacks or blocks are removed and utilities are disconnected for the purpose of transportation. A **move** ends when the leveling jacks

or blocks are installed and utilities are reconnected.

Personal injury means injury arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution; or
3. Libel, slander or defamation of character.

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals, lead paint components and compounds, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. However, irritants and contaminants released by an accidental fire on your **premises** are not a **pollutant**.

Premises means:

1. The dwelling that is described on the Declarations Page.
2. The other structures, including sidewalks, driveways or other private approaches that serve your dwelling.
3. The grounds immediately adjacent to your dwelling and other structures.

For purposes of SECTION II — Your Liability Coverages, **premises** also means:

1. Vacant land, other than farm land, owned by or rented to any of you.
2. Land on which a one-family or two-family dwelling is being built for your personal use.
3. Premises not owned by you but in which you live temporarily.
4. Your cemetery plots and burial vaults.
5. Any part of a premises occasionally rented to you for other than **business** use.

Property damage means direct physical damage or destruction of tangible property

of others, including loss of its use, caused by an accident.

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

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

SECTION I — Your Property Coverages

We provide insurance only for insured losses that occur during the Policy Period shown on the Declarations Page.

Coverage A — Dwelling

We insure:

1. Your dwelling that is described on the Declarations Page.
2. Materials and supplies for use in the construction, alteration or repair of your dwelling located within or immediately adjacent to your dwelling.
3. Any structure you own that is attached to your dwelling, other than a structure attached only by a fence, utility line or similar connection.

We do not insure:

1. Fences.
2. Land including any cost to repair, rebuild, stabilize or otherwise restore land on which your dwelling is located either before or after a loss.
3. Your dwelling during a **move**.
4. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry

and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth.

Coverage B — Other Structures

We insure:

1. Your other structures you own on your **premises** that are separated from your dwelling.
2. Your other structures you own on your **premises** connected to your dwelling by only a fence, utility line or similar connection.
3. Materials and supplies used in the construction, alteration or repair of those other structures located within or immediately adjacent to those other structures.

We do not insure:

1. Land including any cost to repair, rebuild, stabilize or otherwise restore land on which the other structures are located either before or after a loss.
2. Your other structures during a **move** from your **premises**.
3. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth.

Coverage C — Personal Property

We insure personal property you own or use anywhere in the world.

The Amount of Insurance for personal property usually located at a dwelling that you own or rent, other than your dwelling described on the Declarations Page, is 10% of the Amount of Insurance for Coverage C – Personal Property or \$1,000, whichever is greater.

While moving into a dwelling, for a 30-day period, you may apply the Amount of Insurance for Coverage C – Personal Property to your personal property located in your new dwelling.

If you request it, we will insure personal property owned by:

1. Others while the property is on the part of your **premises** occupied by any of you.
2. A guest or a **residence employee** while the property is in any dwelling occupied by any of you.

These provisions do not change the Special Amounts of Insurance.

Coverage C – Personal Property does not apply to your personal property inside your dwelling during a **move**.

Special Amounts of Insurance

Special Amounts of Insurance apply to the following groups of personal property. These Special Amounts of Insurance do not increase the total Amount of Insurance provided by Coverage C – Personal Property. The Special Amount of Insurance for each group is the maximum we will pay for any one loss for all property included in the following groups:

Special Amounts of Insurance	Personal Property Group
1. \$250	Animals, including birds and fish.
2. \$250	Money, script bank notes, bullion, coins, metals, precious metals including platinum, gold other than gold ware and silver other than silverware, prepaid instruments including stored value cards, smart cards and gift certificates.

3. \$500	Personal property primarily used or intended for business purposes while away from your premises .
4. \$2,500	Personal property primarily used or intended for business purposes while on your premises .
5. \$1,500	Securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, passports, personal records, tickets, and stamps. This special Amount of Insurance includes all costs to research, restore or replace the information and the medium upon which it was recorded.
6. \$5,000	Vehicles or conveyances insured by this policy.
7. \$1,500	Watercraft, including their trailers, furnishings, accessories, equipment and engines or motors.
8. \$1,500	Trailers, other than watercraft trailers.
9. \$1,500	Memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contribute to their value.
10. \$2,500	Tools for loss by theft, including mysterious disappearance.
11. \$2,000	Jewelry, watches, furs, precious and semi-precious stones, for loss by theft, including mysterious disappearance.

12. \$5,000 Silverware, silver-plated ware, gold ware, gold-plated ware and pewter ware, for loss by theft, including mysterious disappearance.

- b. Electronic data processing tapes, discs or other software media.
c. Computer related equipment.

We do insure the cost of prerecorded computer programs available on the retail market.

Property We Do Not Insure

We do not insure:

1. Aircraft and any aircraft parts, equipment and accessories including engines and motors.

But we do insure model or hobby aircraft not used or designed to carry people or cargo.

2. Land motor vehicles, including recreational land motor vehicles, all other motorized land conveyances and any vehicle or conveyance parts, equipment and accessories.

We do insure vehicles or conveyances, other than recreational land motor vehicles or conveyances, that are:

- a. Not required to be registered for use on public roads and are used solely for the maintenance of your **premises** immediately adjacent to your dwelling described on the Declarations Page.
b. Designed for assisting the handicapped.
c. Golf carts.
3. Property separately described and specifically insured elsewhere in this or any other insurance policy.
4. Camper bodies, camper trailers or travel trailers.
5. Data stored on any media including data stored in:
- a. Paper records.

6. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds.

7. Materials and supplies used in the construction or repair of your dwelling or other structures.

8. Property in an apartment rented, or held for rental to others, by any of you.

9. Property rented, or held for rental to others, while that property is away from your **premises**.

10. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth.

Coverage D — Additional Living Expenses

If an insured loss makes your **premises** not fit to live in, we will pay the actual, reasonable and necessary increase in your living expense to maintain your normal standard of living while you live elsewhere. We will pay for the shortest time needed:

1. To repair or replace the damaged property.
2. For you to permanently relocate.

The total amount we will pay will not exceed the Amount of Insurance described on the Declarations Page for Coverage D – Additional Living Expense.

If damage caused by an Insured Peril occurs at a neighboring premises, we will pay reasonable additional living expenses for up to two weeks should civil authorities prohibit occupancy of your **premises**.

This period of time will not be limited by the expiration of this policy.

We will not pay for expense due to the cancellation of a lease or agreement.

No deductible will apply to this coverage.

Your Additional Coverages

We automatically include the following additional coverages:

1. **Debris Removal.** We will pay the actual, reasonable and necessary cost for the removal of debris of insured property, other than trees, from your **premises** when deposited by an Insured Peril that applies to the insured property.

The debris removal cost is included in the Amount of Insurance that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal cost is more than the Amount of Insurance for the damaged property, we will pay up to an additional 5% of the Amount of Insurance for Coverage A – Dwelling, or \$5,000, whichever is greater, for debris removal.

We will also pay the actual, reasonable and necessary cost, up to \$1,000 for the removal of one or more fallen trees from your **premises** if the trees damage an insured structure and the falling of your tree or a neighbor's tree was caused by windstorm or hail, weight of ice, snow or sleet.

No deductible will apply to this coverage.

2. **Emergency Repairs After Loss.** We will pay any actual, reasonable and necessary expenses for emergency repairs incurred in protecting your insured property from further damage if the damage was caused by an Insured Peril.

No deductible will apply to this coverage.

3. **Emergency Removal of Your Personal Property.** We will pay when your personal property must be moved because it is endangered by an Insured Peril. We will pay the actual, reasonable and necessary cost up to \$250 to remove and return your personal property to your **premises** described on the Declarations Page.

No deductible will apply to this coverage.

4. **Emergency Removal of Your Dwelling.** We will pay when your dwelling must be moved because it is endangered by an Insured Peril. We will pay the actual, reasonable and necessary cost to remove and return your dwelling to your **premises** described on the Declarations Page.

No deductible will apply to this coverage.

5. **Fire Department Service Charge** (not applicable in Arizona, New Jersey and New Mexico). We will pay the actual, necessary and reasonable charges, up to \$1,000, for fire department services rendered when the fire department is called to save or protect property from an Insured Peril.

No deductible will apply to this coverage.

6. **Trees, Shrubs, Plants and Lawns.** We will pay up to 5% of the Amount

of Insurance shown for Coverage A – Dwelling for loss to trees, shrubs, plants and lawns on your **premises**. We will not pay more than \$500 for any one tree, shrub, plant or lawn including the cost of removing the debris of the insured property.

Coverage applies to loss caused by fire, lightning, explosion, riot, civil commotion, aircraft and vehicles not owned or operated by any resident of your **premises**, vandalism, malicious mischief or theft.

But we do not insure trees, plants, shrubs or lawn:

- a. Grown for **business** purposes.
- b. Located more than 150 feet from your dwelling described on the Declarations Page.

No deductible will apply to this coverage.

7. **Credit Card, Money Transfer Card, Check Forgery and Counterfeit Money.**

a. **Credit Card and Money Transfer Card Coverage.** If you are legally required to pay for the unauthorized use of a credit card or charge plate issued to you, we will insure the loss. We will also pay for loss which results from unauthorized use of a money transfer card issued to you.

But we do not insure:

- (1) use of the credit card or money transfer card by any of you.
- (2) use by someone to whom you have given the card or plate.
- (3) use unless you have met all the terms under which the card or plate was issued.

b. **Check Forgery Coverage.** We insure loss to you caused by forgery or alteration of a check. This includes all negotiable instruments.

c. **Counterfeit Money Coverage.** We insure loss sustained by you through acceptance in good faith of counterfeit United States or Canadian paper currency.

We will not pay more than \$1,500 for any one loss involving one or more of these coverages. Repeated losses caused by any one person or in which any one person is involved are to be considered one loss.

We do not insure any loss that arises from your **business** pursuits or dishonesty.

If a claim is made or suit is brought against any of you for liability under the Credit Card or Money Transfer Card Coverage, we will defend you. We will defend at our expense with legal counsel of our choice.

We may, at our option and at our expense, defend you or your bank against a suit to enforce payment under the Check Forgery Coverage.

We may investigate any claim or settle any suit as we think appropriate.

We will not defend after we have paid or offered to pay \$1,500 for any one loss involving one or more of these coverages.

No deductible will apply to this coverage.

8. **Food Spoilage.** We will pay the actual, necessary and reasonable cost, up to \$500, for spoilage of food in your freezer or refrigerator, on your **premises**, when the damage is caused by interruption of electrical service or mechanical breakdown.

A deductible of \$50 will apply to each loss.

9. **Loss Assessment.** We will pay your share of any assessment charged against all members of an association of property owners if the assessment is made as a result of direct, sudden and accidental physical loss caused by an Insured Peril to the property collectively owned by all members.

This coverage applies only to assessments made against you as the owner of your **premises** for losses which occur during the Policy Period shown on the Declarations Page. We will pay up to \$1,000 with respect to any one loss regardless of the number of assessments made.

This coverage does not apply to property that we do not insure if owned by you.

No deductible will apply to this coverage.

10. **Ordinance or Law.**

We will pay the actual, reasonable and necessary cost, up to 5% of the Amount of Insurance shown on the Declarations Page for Coverage A - Dwelling or Coverage B - Other Structures for:

- a. The increased costs caused by the enforcement of any governmental requirement regulating construction, repair, renovation, remodeling or demolition of that part of your dwelling or other structures damaged by an Insured Peril.
- b. The increased costs caused by the enforcement of any governmental requirement regulating the construction, repair, renovation, remodeling or demolition of the undamaged part of your dwelling or other

structures if it is necessary to repair that part of your dwelling or other structures damaged by an Insured Peril.

We will not pay:

- a. The costs to comply with any ordinance or law which requires any of you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.
- b. For the loss in value to your dwelling due to the requirement of any ordinance or law.
- c. The cost to repair, replace, rebuild, stabilize or otherwise restore land.

No deductible will apply to this coverage.

11. **Locksmith Coverage.** We will pay the actual, reasonable and necessary cost, up to \$500, for locksmith services required because of a loss or theft of any of your house keys.

No deductible will apply.

SECTION I — Insured Perils

We insure risk of direct, sudden and accidental physical loss to the property described in Coverage A - Dwelling, Coverage B - Other Structures and Coverage C - Personal Property unless the loss is excluded elsewhere in this policy.

SECTION I — Exclusions

We do not insure 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.

1. Loss intentionally caused by any of you or performed at any of your direction.
2. Loss of or to any property caused by, consisting of or increased by the enforcement of any governmental requirement regulating:
 - a. Sale.
 - b. Confiscation.
 - c. Seizure.
 - d. Occupancy.
 - e. Relocation or removal.

But we do insure loss arising out of a government action to prevent the spread of fire provided that a loss caused by fire would otherwise be insured by this policy.

3. Loss caused by the use, sale, manufacture, distribution, delivery, transfer or possession of any illegal substance or the illegal possession of a controlled substance as defined by federal or state law by any of you. Such substances include but are not limited to lysergic acid diethylamide (LSD), methamphetamines, marijuana and all narcotic drugs.
4. Loss caused by war, whether declared or undeclared, including civil war, insurrection, rebellion or revolution.
5. Loss caused by:
 - a. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**.
 - b. Loss, cost or expense from any governmental direction or request that any of you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.
6. Loss caused by:

- a. Flood water, surface water, waves, tidal water, storm surge, tsunami or overflow of a body of water from any source including spray from any of these whether or not driven by wind.
- b. Water or sewage which backs up through sewers or drains or that overflows from a sump.
- c. Water below the surface of the ground regardless of its source. This includes water which exerts pressure on or flows, seeps or leaks through any part of your dwelling or other structures, foundation, sidewalk, driveway or swimming pool.

This exclusion applies whether or not there was widespread damage and whether or not the loss was caused by a human activity or an act of nature.

This exclusion does not apply to ensuing loss caused by fire or explosion.

7. Loss caused by freezing, thawing, pressure or weight of water, ice or snow, whether driven by wind or not, to a fence, pavement, patio, swimming pool, septic system, foundation, retaining wall, bulkhead, pier, wharf or dock.
8. Loss caused by any **business** activity being conducted with or without your knowledge by any of you or any resident of your **premises**.
9. Loss caused by vandalism, burglary, malicious mischief, theft or any other unlawful taking of property if your dwelling has been vacant for more than 30 consecutive days immediately before the loss.

This exclusion does not apply to ensuing loss caused by fire or explosion.
10. Loss caused by:

- a. Freezing of plumbing, heating or air conditioning systems, fire protection sprinkler systems or domestic appliances.
- b. Freezing of sumps or sump pumps and related equipment and piping.
- c. Discharge, leakage or overflow from the systems or appliances damaged by freezing.

This exclusion does not apply if you have taken reasonable care to:

- a. Maintain heat in your dwelling or other structure; or
- b. Shut off the water supply and drain the systems and appliances of water.

11. Loss caused by:

- a. Wear and tear, marring, scratching, deterioration, rust or other corrosion.
- b. Inherent vice, latent defect, mechanical breakdown, manufactured defect or mechanical failure.
- c. Mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind.
- d. Smog, smoke from agricultural smudging or industrial operations.
- e. Settling, cracking, shrinkage, bulging or expansion, including resulting cracking of pavements, patios, foundations, walls, floors, roofs or ceilings.
- f. Insects or domestic household animals or pets.

This exclusion does not apply to:

- a. Ensuing loss caused by fire or explosion.
- b. Water damage caused by water that suddenly escapes from a

plumbing, heating, fire protection sprinkler or air conditioning system or domestic appliance because of any of the above.

- c. The cost of tearing out and replacing any part of your dwelling or other structure necessary to repair the system or appliance.

But we do not insure loss to the system or appliance from which the water escaped.

- 12. Loss caused by continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, fire protection sprinkler or air conditioning system or from within an appliance that occurs over a period of weeks, months or years.

This exclusion does not apply to ensuing loss caused by fire or explosion.

- 13. Loss to animals, including birds and fish unless caused by fire, lightning, windstorm, hail, smoke, explosion, riot or falling aircraft.

- 14. Loss caused by breakage of eyeglasses, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles unless the breakage is caused by or results from:

- a. Fire, lightning, windstorm or hail.
- b. Explosion, riot or civil commotion.
- c. Aircraft, vehicles or vandalism and malicious mischief.
- d. Theft or attempted theft.

This exclusion does not apply to jewelry, watches, bronzes, cameras and photographic lenses.

- 15. Loss caused by leakage from rain, sleet or snow or its resulting damage whether or not wind-driven.

This exclusion does not apply to ensuing loss caused by fire or explosion.

16. Loss to your dwelling and personal property inside your dwelling during a **move**.

This exclusion does not apply to Your Additional Coverages 4. Emergency Removal of your Dwelling.

17. Loss caused by earthquake, including land shock waves or tremors before, during, or after volcanic eruptions.

This exclusion applies whether or not there was widespread damage.

This exclusion does not apply to ensuing loss caused by fire or explosion.

18. Loss caused by nuclear reaction, explosion, radiation or radioactive contamination.

This exclusion does not apply to ensuing loss caused by fire or explosion.

SECTION I — Our Payment Methods

Coverage A — Dwelling

Total Loss

Agreed Loss Payment Method

A total loss occurs when your dwelling is damaged beyond reasonable repair.

When a total loss occurs, your loss will be equal to the Amount of Insurance shown on the Declarations Page.

Partial Loss

Actual Cash Value Payment Method

When a partial loss occurs, the amount we pay for loss to your dwelling will be the lowest of:

1. The **actual cash value** of the damaged portion of your dwelling at the time of the loss.

2. The amount required to repair or replace your dwelling.

3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement or repair or replace your dwelling with a dwelling of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been replaced, restored or repaired.

The damage to your dwelling will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Coverage B — Other Structures

Coverage C — Personal Property

Total and Partial Loss

Actual Cash Value Payment Method

The amount we pay for loss to your other structures or personal property will be the lowest of:

1. The **actual cash value** of the lost or damaged portion of your property at the time of the loss.
2. The amount required to repair or replace your lost or damaged property.
3. The Amount of Insurance shown on the Declarations Page for your damaged property.

4. Any applicable Special Amount of Insurance.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

The damage to your property will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Payment Methods — Specific Losses

Pairs, Sets or Series of Objects

In case of loss to a part of a pair, set, series of objects, pieces or panels, either interior or exterior, we may:

1. Repair or replace any part to restore the pair, set or series of objects to its value before the loss.
2. Pay the difference between **actual cash value** of the pair, set or series of objects before and after the loss.
3. Pay the reasonable cost of providing a substitute to match the remainder of the pair, set or series of objects as closely as possible.

We will not be obligated to repair or replace the entire pair, set, series of

objects, pieces or panels, either interior or exterior, when a part is lost or damaged.

Stolen Property

Before a loss for stolen property is paid or the property is replaced, we may return any recovered stolen property to you at our expense with payment for any damage.

SECTION I — Deductible

Any loss to insured property will be subject to the deductible shown on the Declarations Page or elsewhere in this policy unless stated otherwise.

If your insured loss, other than loss caused by earthquake or hurricane, exceeds \$5,000 the deductible will be waived.

SECTION II — Your Liability Coverages

Coverage E — Personal Liability

If a claim is made or a suit brought against you for damages because of **bodily injury** or **property damage**, caused by an accident to which this coverage applies, or if a claim is made or a suit brought against you for damages because of **personal injury**, caused by an offense to which this coverage applies, we will:

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

We may make any investigations and settle any claims or suits that we decide appropriate. Our obligation to defend any claim or suit ends when the amount we pay in settlement or judgment for damages resulting from the accident or offense

equals the Limit of Liability shown on the Declarations Page. This insurance applies only to **bodily injury** and **property damage** that occurs during the Policy Period and to **personal injury** only if the offense occurs during the Policy Period.

If a claim is made or a suit is brought against any of you by any other person or organization for indemnity, reimbursement or contribution toward damages for **bodily injury** or **property damage** excluded by this policy, we will not provide coverage for that claim or suit.

Coverage F — Medical Payments To Others

We will pay for you, up to the Limit of Liability shown on the Declarations Page, the actual, reasonable and necessary **medical expenses** incurred or medically determined within three years from the date of an accident causing **bodily injury**. Coverage F — Medical Payments To Others applies only to accidents that occur during the Policy Period shown on the Declarations Page.

Medical Payments To Others applies only:

1. To a person on your **premises** with your permission.
2. To a person on or off your **premises** if the **bodily injury**:
 - a. Arises out of a condition in or on your **premises**.
 - b. Is caused by your activities.
 - c. Is caused by a **residence employee** in the course of duties for you.
 - d. Is caused by a domestic household animal owned by you or in your care.

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

SECTION II — Your Additional Coverages

1. Claim Expenses

We will pay:

- a. Expenses we incur and costs taxed against you in any suit we defend.
- b. Premiums on bonds required in a suit we defend, but not for bond amounts greater than the Limit of Liability for Personal Liability. We are not obligated to apply for or furnish any bonds.
- c. Expenses you incur at our request, including up to \$250 a day actual loss of earnings, for assisting us in the investigation or defense of any claim or suit.
- d. Prejudgment interest awarded against you on that part of the judgment we pay.
- e. Interest on the entire entered judgment until we pay, formally offer, or deposit in court that part of the judgment that does not exceed the limit of our liability on that judgment.

2. First Aid Expenses

We will pay your expenses for first aid to others at the scene of an accident. We will not pay for first aid to any of you.

3. Damage to Property of Others

We will pay, at replacement cost, up to \$500 per accident for Damage to Property of Others caused by you,

provided that at the time of the accident the property was being used by any of you or was in your care.

4. **Loss Assessment**

We will pay up to \$1,000 per accident for your liability arising out of any loss assessment charges against you as a member of an association of property owners for compensatory damages arising out of **bodily injury** or **property damage** caused by any one accident that occurs during the Policy Period shown on the Declarations Page regardless of the number of assessments made.

This coverage only applies to loss assessments charged against you as the owner of your **premises**.

SECTION II — Exclusions

Coverage E — Personal Liability Coverage F — Medical Payments To Others

We will not pay for **bodily injury** or **property damage**:

1. Resulting from any act or omission that is intended by any of you to cause any harm or that any of you could reasonably expect to cause harm. This exclusion applies whether or not any of you:
 - a. Intended or expected the result of the act or omission so long as the resulting injury or damage was a natural or foreseeable consequence of the intended act or omission.
 - b. Was under the influence of alcohol or narcotics.
 - c. Was insane.

- d. Is deemed not to have had the mental capacity to form the legal intent to commit the act or omission causing injury or damage.

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

2. Arising out of **business** pursuits of any of you.
3. Arising out of the rendering or failing to render professional services.
4. Arising out of the actual, alleged or threatened discharge, dispersal, release, escape of, or the ingestion, inhalation or absorption of **pollutants** at or from any property you own, rent, occupy, sell, abandon or give away.
5. Arising out of loss, cost or expense from any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.
6. Arising out of the ownership, operation, maintenance, use, loading or unloading of:
 - a. Aircraft.

This exclusion does not apply to model or hobby aircraft not used or designed to carry people or cargo.

- b. A land motor vehicle designed, modified or altered for use on public roads, entirely or partially owned or operated by or rented or loaned to any of you.

This exclusion does not apply if the land motor vehicle is not subject to motor vehicle registration because it is:

- (1) Used exclusively on your **premises**.

- (2) Kept in dead storage on your **premises**.
- c. A recreational land motor vehicle owned entirely or partially by any of you.
- This exclusion does not apply:
- (1) To recreational land motor vehicles on your **premises** except while used for **farming** or **ranching**.
- (2) To recreational land motor vehicles in dead storage.
- (3) To a golf cart except:
- (a) while used for **farming** or **ranching**; or
- (b) that is required to be licensed by applicable state law.
- d. Watercraft:
- (1) Owned entirely or partially by, or rented to, any of you if it has motor power of more than 50 total horsepower, as rated by its manufacturer.
- (2) Owned entirely or partially by, or rented to, any of you if it is a sailing vessel 26 feet or more in length.
- e. Trailers.
- This exclusion applies only to trailers being towed by or carried on a land motor vehicle.
- This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of employment by any of you.
7. Arising out of the entrustment by any of you to any person of any aircraft, land motor vehicle, recreational land motor vehicle, watercraft or trailer.
- This exclusion applies only if exclusion 6. applies.
8. Arising out of:
- a. The negligent supervision by any of you of any person;
- b. Any liability by statute imposed on any of you; or
- c. Any liability assumed through an unwritten or written agreement by any of you;
- with regard to the ownership, operation, maintenance or use of any aircraft, land motor vehicle, recreational land motor vehicle, watercraft or trailer.
- This exclusion applies only if exclusion 6. applies.
9. Arising directly or indirectly out of war, hostile or warlike action in time of peace or war, whether or not declared, riot or civil disorder.
10. Arising out of the transmission of or exposure to a communicable disease by any of you.
11. Arising out of child care services provided for a fee by or at the direction of:
- a. Any of you.
- b. Any of your employees.
- c. Any other person actually or apparently acting on behalf of any of you.
- This exclusion does not apply to the occasional child care services provided by any of you or to the part-time child care services provided by any of you younger than 19 years of age.
12. Arising out of any sexual act, sexual molestation, corporal punishment, or physical or mental abuse by any of you.
13. Arising out of the use, sale, manufacture, distribution, delivery, transfer or possession of any illegal

substance or the illegal possession of a controlled substance as defined by federal or state law by any of you. Such substances include but are not limited to lysergic acid diethylamide (LSD), methamphetamines, marijuana and all narcotic drugs.

14. Arising out of nuclear reaction, radiation or radioactive contamination.
 15. Sustained by any person who regularly resides on your **premises**.
 16. Resulting from an act committed by any of you in the course of or in furtherance of any crime or offense of a violent nature.
 17. Arising out of the rental, or holding for rental, of any property owned by any of you.

This exclusion does not apply to the rental, or holding for rental, of part of your **premises** shown on the Declarations Page unless intended for use as a residence by three or more roomers or boarders.
 18. Arising out of the ownership, maintenance or use of any **farming** or **ranching** property.
 19. Arising out of the care, handling, or riding of any animal other than a domestic household animal.
 20. Arising out of any premises owned by or leased to any of you that is not described in this policy.
3. Damage to property owned, sold, rented to others, abandoned or given away by any of you.
 4. Damage to property rented to, occupied or used by any of you or in your care, except **property damage** caused by fire, smoke or explosion.
 5. **Bodily injury** to any person eligible to receive any benefits required to be provided by any of you under any workers' compensation, non-occupational disability or occupational disease law.
 6. **Bodily injury** or **property damage** to any of you as defined in this policy.
 7. Arising out of liability assumed by any of you in any contract or agreement whether before or after the offense occurs.
 8. Caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of any of you.
 9. Sustained by any person as a result of an offense directly or indirectly related to the employment of this person by any of you.
 10. Arising out of any of your **business** regardless of whether it is a **business** that is owned or operated by any of you or employs any of you.
 11. Arising out of civic or public activities performed for pay by any of you;
 12. **Personal injury** to any of you.

Coverage E — Personal Liability

We will not pay for:

1. Liability assumed in an unwritten or written agreement in connection with a **business** of any of you.
2. Liability arising out of any written or oral statement made by any of you or others on your behalf which is material to any financial transaction.

Coverage F — Medical Payments To Others

We will not pay for **bodily injury**:

1. To any of you or any person who regularly resides on your **premises**.
2. To a **residence employee** if **bodily injury** occurs off your **premises** and

does not arise out of, or in the course of, the employment by any of you.

3. To any person eligible to receive any benefits required to be provided by you under any workers' compensation, non-occupational disability or occupational disease law.

Damage To Property Of Others

We will not pay for damage:

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

This exclusion does not apply to:

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

Policy Conditions

1. **Insurable Interest, Amount of Insurance and Limits of Liability.** Regardless of the number of people or organizations who have an interest in the insured property, we will not be liable in any one loss for more than the lesser of:

- a. The interest of a person or organization insured.
- b. The applicable Amount of Insurance.

The Limit of Liability for Coverage E — Personal Liability will not exceed the limit shown on the Declarations Page regardless of the number of persons or organizations insured or claims made.

The insuring of more than one person or organization by this policy does not increase the Amounts of Insurance.

2. **Joint Obligations.** The terms of this policy impose joint obligations on each and every one of you. This means that the responsibilities, acts and failures to act of any of you will be binding upon all of you.
3. **Concealment or Fraud.** The entire policy will be void if any of you:
 - a. Intentionally conceal or misrepresent any material fact or circumstance;
 - b. Engage in fraudulent conduct;
 - c. Make false statements;whether before or after a loss or claim relating to this insurance.
4. **What to Do When You Have a Loss.** You or someone on your behalf must promptly report to the police any theft, robbery or burglary loss after you discover the loss.

In the event of a loss or accident, you or someone on your behalf must notify us at once. The quickest way is to phone your insurance representative or us. Please give your name, policy number, how the loss happened, the extent of the damages or injuries, names of witnesses and all other pertinent facts. You must promptly send us any demand, notice, summons or other legal papers you receive.

If we need other information to investigate the loss, we will ask you for it. We may require this information in writing.

If you have a loss, you must protect your dwelling, other structures or personal property from any further damage. If you fail to do so, any further damage will not be insured by this policy.

We may require that you submit to us a notarized statement of loss. The statement must be submitted within 90 days of our request that you do so. You will be required to show us the damaged property and submit to examination under oath. You will be required to cooperate with us in our effort to investigate the accident or loss, settle any claims against you and defend you. If you fail to cooperate, we have the right to deny you coverage in this policy.

You may not, except at your own cost, voluntarily make any payment, assume any obligation or incur any expenses. This provision does not apply for First Aid Expenses or Emergency Repairs After Loss.

We will offer to make settlement within 30 days after we receive an acceptable proof of loss from you and the amount of loss is determined as provided in this policy.

5. **Appraisals.** If you and we fail to agree on the amount of the loss, then both you and we have the right to select a competent and disinterested appraiser within 20 days from the day of disagreement. The appraisers will determine the amount of the loss. If they do not agree, then the appraisers will choose a competent and disinterested umpire. Then each appraiser will submit his amount of the loss to an umpire selected by them or by a court having jurisdiction if the appraisers cannot agree upon an umpire. The agreement of any two will determine the amount of loss for damage to your property. You pay your appraiser and we pay our appraiser. You and we share equally the expenses of the umpire and all other expenses of the appraisals.

In no event will an appraisal be used for the purpose of interpreting any policy provision, determining causation or determining whether any item or loss is insured by this policy. If there is an appraisal, we still retain the right to deny the claim.

6. **Other Insurance.**

a. **SECTION I — Your Property Coverages**

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.

b. **SECTION II — Your Liability Coverages**

This insurance is excess over other valid insurance except insurance written specifically to insure excess over the limits that apply in this policy.

c. SECTION I — Your Property Coverages

SECTION II — Your Liability Coverages

If at the time of loss, there is other insurance in the name of a corporation or association of property owners insuring the same property insured by this policy, this insurance will be excess over the amount recoverable under such other insurance.

7. **Our Right to Recover from Others.**

After we have paid a claim, except for Medical Payments to Others, we have the right to recover the payment from anyone who may be held responsible for the loss. You are required to sign any papers and do whatever else is necessary to transfer this right to us. Neither you nor anyone we insure in this policy has the right to do anything to prejudice our right.

You may waive your rights to recover against another person for loss involving the property insured by this policy. This waiver must be in writing prior to the date of loss.

8. **Legal Action Against Us.** You may not bring legal action against us concerning this policy unless you have fully complied with all of the policy terms. If you and we have failed to agree on the amount of the loss, then you may not bring legal action against us until you have submitted and resolved that dispute through appraisal as described in Condition 5. Suit must be brought within one year after the loss occurs.

9. **Lienholder Interest.** If you borrowed money to buy your dwelling, the person or business that loaned you the money is called the lienholder. The

designation of a lienholder is considered to be an acknowledgment by you that the entity named has a legal interest in your dwelling due to an installment sales contract or other security agreement. Your lienholder may require you to name it on the Declarations Page as a separate insured party for any insurable interest it may have.

When a lienholder is named on the Declarations Page, Our Payment Method will recognize the lienholder's interest in your property. If we elect to settle your loss or damage in money, both your name and your lienholder's will appear on our payment check. If you have paid off your lienholder, please tell us so that the lienholder's name may be removed from the Declarations Page.

If your interest in your dwelling is terminated, Our Payment Method will recognize only the lienholder's interest in this policy. No change in title or ownership of your dwelling or any acts of yours will cancel the lienholder's interest in this policy.

You or the lienholder must let us know promptly of any change of ownership or any increase in hazard which comes to you or the lienholder's knowledge.

If you fail to pay any premium due for this policy, your lienholder may be requested to pay that premium.

If we require proof of loss and you fail to give it within 90 days, the lienholder is given an additional 30 days to do so.

10. **Trustee Interest.** If legal title to the dwelling described on the Declarations Page is held by a Trust, the following provisions apply in addition to

the provisions contained in the Insuring Agreement:

a. SECTION I - Your Property Coverages

- (1) With respect to Coverage A - Dwelling, Coverage B - Other Structures, and Coverage C - Personal Property, you, your and yours mean the Trust and beneficiaries of the Trust who reside in the dwelling.
- (2) With respect to Coverage D - Additional Living Expenses, you, your and yours mean a resident of the dwelling who is a Trustee and a beneficiary of the Trust.
- (3) With respect to Your Additional Coverages, you, your and yours mean the Trust and beneficiaries of the Trust who reside in the dwelling, as their interests may appear.

b. SECTION I - Exclusions

All exclusions apply to the interests of and losses sustained by any of the Trust, Trustees and beneficiaries of the Trust.

c. SECTION II - Your Liability Coverages

With respect to Coverage E - Personal Liability and Coverage F - Medical Payments to Others, you, your and yours mean the Trust, the beneficiaries of the Trust who reside in the dwelling and the Trustees who reside in the dwelling or are acting in the course and scope of their duties as Trustees.

d. SECTION II - Exclusions

All exclusions apply to the claims made or suits brought against any of the Trust, Trustees and beneficiaries of the Trust.

11. Changes.

a. Policy Changes

- (1) If any provision of this policy is in conflict with any governmental requirements at the time your policy is written, it is automatically changed to conform to them.
- (2) If we broaden the coverages provided by this edition of the policy without additional premium charges during the Policy Period, we will give you the benefit of these broadened coverages.
- (3) The only other way this policy can be changed is if we change it in writing, which will be made a part of this policy. Any adjustment in premium will be made at that time.
- (4) If your policy is renewed, we will furnish you any form revisions applicable to your policy.

b. Midterm Rate Changes

The premium you are charged for this policy is based on information that you provided to us, and on information we gather from other sources. You must immediately inform us if any of the information you have provided to us changes, is incomplete, or is incorrect. Based on the changed, completed or corrected information, we may decrease or increase

the premium for your policy during the Policy Period.

Any premium increase or decrease will be based on the rules and rates in effect at the inception of the Policy Period.

12. **Bankruptcy.** If you become bankrupt or insolvent, we will still insure you for the period of time your premium is paid.
13. **Transfer of This Policy.** You may not transfer any interest in this policy without our written consent. If you die, this policy will continue in force for the remainder of the Policy Period shown on the Declarations Page. This policy will continue for other members of your family entitled to coverage at the time of your death or for your legal representative, but only with respect to the property insured by this policy at the time of death.
14. **Abandoned Property.** We are not obliged to accept abandoned property.
15. **No Benefit to Bailee.** This insurance will not benefit any person or organization who may be caring for or handling your property for a fee.
16. **Inspections and Consumer Reports.** We are permitted, but not obligated, to inspect your property and order consumer reports. Our inspection does not warrant that the property is safe or healthful or in compliance with any law, rule, regulation, or building code.
17. **Your Duties to Maintain Policy Amounts of Insurance.** It is your responsibility to maintain adequate amounts of insurance on your dwelling, other structures and personal property. But to help you do that we may, but are not obligated to, adjust your policy Amounts of Insurance. If

an adjustment is made, it will become effective on the renewal date of your policy and will be based upon data supplied to us by recognized agencies or organizations.

You will be notified in advance of the new Amounts of Insurance. Payment of your renewal is all that is necessary to indicate your acceptance of the new Amounts of Insurance.

If you want to change the new Amounts of Insurance, you may do so by contacting your insurance representative.

18. **Salvage Rights.** If as a result of your loss, we pay you in cash or by replacement an amount equal to the **actual cash value** of your property before the loss, at our option we have the right, but not the obligation, to take legal title of your property.
19. **Cancellation.** You may cancel your policy by returning the Declarations Page to us or by mailing to us a written notice telling us the advance date that cancellation is to become effective. If a lienholder is named on the Declarations Page, we will mail acknowledgment to the lienholder regarding cancellation of the lienholder's interest in this policy.

We may cancel this policy for any reason during the first 60 days we insure you. After the first 60 days we may cancel it if:

- a. The risk has changed substantially since the policy was issued; or
- b. If you or your representative:
 - (1) Conceal, omit or misrepresent any material facts or circumstances;
 - (2) Make a false or fraudulent claim;

- (3) Fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed; or
- (4) Have not paid the premium.

We will mail a cancellation notice to you at least 30 days (10 days if you have not paid the premium) before this policy is cancelled. We will mail a cancellation notice to your last address known to us or your insurance representative. We will also give the same notice to your lienholder.

Your lienholder may cancel this policy if your dwelling has been foreclosed or your lienholder has otherwise acquired ownership of it. Your lienholder may then cancel this policy on behalf of all parties who have an interest insured by this policy and upon surrender of this policy.

If there is any refund of premium due you, we will mail it to you with your cancellation notice or as soon as possible after we mail the notice. The return premium will be calculated pro rata. If you cancel, return premiums will be subject to the "Minimum Earned Premium" shown on the Declarations Page of this policy. Pro rata cancellation means that we keep premium only for the period of time you were insured. If your premium is financed, that financing interest will be recognized in any refund due.

20. Lifetime Continuation Agreement.

We agree to offer to renew your policy unless we mail to you, at least 45 days but not more than 60 days before the "To" date shown on the Declarations Page, written notice of our intention not to renew this policy.

If you do not pay the renewal premium as we require, we will assume that you have declined our offer.

We may nonrenew your policy only if:

You or your representative:

Conceal, omit or misrepresent any material facts or circumstances; or

Make a false or fraudulent claim; or

Fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed; or

Have knowledge of any change that substantially increases the risk assumed by us; or

Have not paid the premium.

Continuation of the policy could place us in violation of the insurance laws of your state.

21. Automatic Termination. If we offer to renew or continue this policy, but you or your representatives do not accept our offer, then this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due will mean that you have not accepted our offer.

22. Notice of Cancellation or Nonrenewal. The Notice of Cancellation or Nonrenewal will be mailed or delivered to you and your insurance representative's last address known. If notice is mailed, proof of mailing will be sufficient proof of notice.

This policy is signed at the Home Office by our President and Secretary. It is countersigned on the Declarations Page by our authorized representative(s) if required.

A handwritten signature in black ink, appearing to read "F. Woodstock".

President

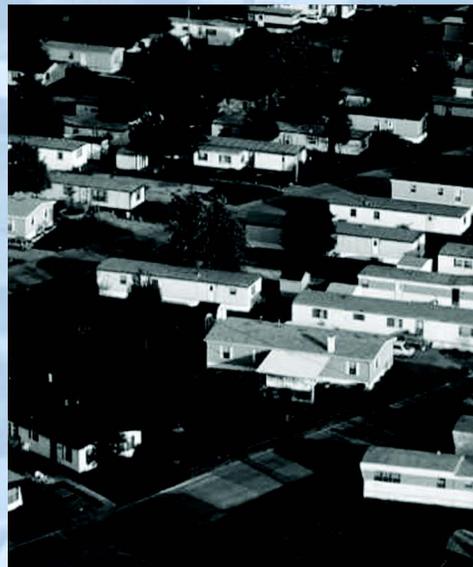
A handwritten signature in black ink, appearing to read "Martin R. Brown".

Secretary

**Foremost[®]
Property and Casualty
Insurance Company**

**Homeowners
Insurance
for
Manufactured Homes**

Property Coverage Only



A Stock Company

Home Office
5600 Beech Tree Lane
Caledonia, Michigan 49316
1-800-752-2461

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HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES

Read the entire policy carefully to determine rights, duties, and what is and is not insured. Various provisions in this policy restrict coverage.

Words and phrases that appear in **bold-faced type** have special meaning. Refer to the Definitions.

Insuring Agreement

With your payment of the premium, we agree to provide only the Coverages and Amounts of Insurance you have selected as shown on the Declarations Page. This is subject to all policy terms and conditions. This policy, which includes the Declarations Page and endorsements, if any, is the entire agreement between you and us regarding the insurance coverages expressed in it and supersedes all previous agreements regarding those coverages, either oral or written.

We, us and our mean the insurance company named on the Declarations Page.

You, your and yours mean the person named on the Declarations Page and that person's **family member**.

Definitions

Actual cash value means the amount it would cost to repair or replace insured property with new materials available today of like kind and quality, less adjustment for physical deterioration and depreciation, including obsolescence. Our adjustment for physical deterioration, depreciation and obsolescence applies to all costs including the cost of labor and material.

Business means any full or part-time:

1. Trade;
2. Profession;
3. Occupation; or
4. Activity;

including **farming** or **ranching**, engaged in for economic gain.

Business does not mean:

1. The rental, or holding for rental, of part of your **premises** for use as a dwelling, unless the rental is to three or more roomers or boarders.
2. The rental, or holding for rental, of part of your **premises** as a private garage, office, school or studio.

Family member means a person who:

1. Resides in your household; and
2. Is related to you by:
 - a. Blood;
 - b. Marriage; or
 - c. Adoption.

Family member also means your ward or foster child who resides in your household.

Farm or **Farming** means the ownership or use of land for cultivation of agricultural products. However, **farm** or **farming** does not include the ownership or use of land for the cultivation of a personal garden.

A **move** begins when the leveling jacks or blocks are removed and utilities are disconnected for the purpose of transportation. A **move** ends when the leveling jacks or blocks are installed and utilities are reconnected.

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals, lead paint components and compounds, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. However, irritants and contaminants released by an accidental fire on your **premises** are not a **pollutant**.

Premises means:

1. The dwelling that is described on the Declarations Page.
2. The other structures, including sidewalks, driveways or other private approaches that serve your dwelling.
3. The grounds immediately adjacent to your dwelling and other structures.

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

SECTION I — Your Property Coverages

We provide insurance only for insured losses that occur during the Policy Period shown on the Declarations Page.

Coverage A — Dwelling

We insure:

1. Your dwelling that is described on the Declarations Page.
2. Materials and supplies for use in the construction, alteration or repair of your dwelling located within or immediately adjacent to your dwelling.
3. Any structure you own that is attached to your dwelling, other than a structure attached only by a fence, utility line or similar connection.

We do not insure:

1. Fences.

2. Land including any cost to repair, rebuild, stabilize or otherwise restore land on which your dwelling is located either before or after a loss.
3. Your dwelling during a **move**.
4. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth.

Coverage B — Other Structures

We insure:

1. Your other structures you own on your **premises** that are separated from your dwelling.
2. Your other structures you own on your **premises** connected to your dwelling by only a fence, utility line or similar connection.
3. Materials and supplies used in the construction, alteration or repair of those other structures located within or immediately adjacent to those other structures.

We do not insure:

1. Land including any cost to repair, rebuild, stabilize or otherwise restore land on which the other structures are located either before or after a loss.
2. Your other structures during a **move** from your **premises**.
3. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth.

Coverage C — Personal Property

We insure personal property you own or use anywhere in the world.

The Amount of Insurance for personal property usually located at a dwelling that you own or rent, other than your dwelling described on the Declarations Page, is 10% of the Amount of Insurance for Coverage C – Personal Property or \$1,000, whichever is greater.

While moving into a dwelling, for a 30-day period, you may apply the Amount of Insurance for Coverage C – Personal Property to your personal property located in your new dwelling.

If you request it, we will insure personal property owned by:

1. Others while the property is on the part of your **premises** occupied by any of you.
2. A guest or a **residence employee** while the property is in any dwelling occupied by any of you.

These provisions do not change the Special Amounts of Insurance.

Coverage C – Personal Property does not apply to your personal property inside your dwelling during a **move**.

Special Amounts of Insurance

Special Amounts of Insurance apply to the following groups of personal property. These Special Amounts of Insurance do not increase the total Amount of Insurance provided by Coverage C – Personal Property. The Special Amount of Insurance for each group is the maximum we will pay for any one loss for all property included in the following groups:

<u>Special Amounts of Insurance</u>	<u>Personal Property Group</u>
1. \$250	Animals, including birds and fish.

2. \$250	Money, script bank notes, bullion, coins, metals, precious metals including platinum, gold other than gold ware and silver other than silverware, prepaid instruments including stored value cards, smart cards and gift certificates.
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3. \$500	Personal property primarily used or intended for business purposes while away from your premises .
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4. \$2,500	Personal property primarily used or intended for business purposes while on your premises .
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5. \$1,500	Securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, passports, personal records, tickets, and stamps.
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This special Amount of Insurance includes all costs to research, restore or replace the information and the medium upon which it was recorded.

6. \$5,000	Vehicles or conveyances insured by this policy.
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7. \$1,500	Watercraft, including their trailers, furnishings, accessories, equipment and engines or motors.
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8. \$1,500	Trailers, other than watercraft trailers.
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9. \$1,500	Memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contribute to their value.
------------	-------------------------------------------------------------------------------------------------------------------------------

- | | | |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10. \$2,500 | Tools for loss by theft, including mysterious disappearance. | 3. Property separately described and specifically insured elsewhere in this or any other insurance policy. |
| 11. \$2,000 | Jewelry, watches, furs, precious stones, for loss by theft, including mysterious disappearance. | 4. Camper bodies, camper trailers or travel trailers. |
| 12. \$5,000 | Silverware, silver-plated ware, gold ware, gold-plated ware and pewter ware, for loss by theft, including mysterious disappearance. | 5. Data stored on any media including data stored in: <ul style="list-style-type: none"> a. Paper records. b. Electronic data processing tapes, discs or other software media. c. Computer related equipment. We do insure the cost of prerecorded computer programs available on the retail market. |

Property We Do Not Insure

We do not insure:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Aircraft and any aircraft parts, equipment and accessories including engines and motors. | 6. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds. |
| <p>But we do insure model or hobby aircraft not used or designed to carry people or cargo.</p> | 7. Materials and supplies used in the construction or repair of your dwelling or other structures. |
| 2. Land motor vehicles, including recreational land motor vehicles, all other motorized land conveyances and any vehicle or conveyance parts, equipment and accessories. | 8. Property in an apartment rented, or held for rental to others, by any of you. |
| <p>We do insure vehicles or conveyances, other than recreational land motor vehicles or conveyances, that are:</p> | 9. Property rented, or held for rental to others, while that property is away from your premises . |
| <ul style="list-style-type: none"> a. Not required to be registered for use on public roads and are used solely for the maintenance of your premises immediately adjacent to your dwelling described on the Declarations Page. b. Designed for assisting the handicapped. c. Golf carts. | 10. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth. |

Coverage D — Additional Living Expenses

If an insured loss makes your **premises** not fit to live in, we will pay the actual, reasonable and necessary increase in your living expense to maintain your normal standard of living while you live elsewhere. We will pay for the shortest time needed:

1. To repair or replace the damaged property.
2. For you to permanently relocate.

The total amount we will pay will not exceed the Amount of Insurance described on the Declarations Page for Coverage D – Additional Living Expense.

If damage caused by an Insured Peril occurs at a neighboring premises, we will pay reasonable additional living expenses for up to two weeks should civil authorities prohibit occupancy of your **premises**.

This period of time will not be limited by the expiration of this policy.

We will not pay for expense due to the cancellation of a lease or agreement.

No deductible will apply to this coverage.

Your Additional Coverages

We automatically include the following additional coverages:

1. **Debris Removal.** We will pay the actual, reasonable and necessary cost for the removal of debris of insured property, other than trees, from your **premises** when deposited by an Insured Peril that applies to the insured property.

The debris removal cost is included in the Amount of Insurance that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal cost is more than the Amount of Insurance for the damaged property, we will pay up to an additional 5% of the Amount of Insurance for Coverage A – Dwelling, or \$5,000, whichever is greater, for debris removal.

We will also pay the actual, reasonable and necessary cost, up to \$1,000 for the removal of one or more fallen trees from your **premises** if the trees

damage an insured structure and the falling of your tree or a neighbor's tree was caused by windstorm or hail, weight of ice, snow or sleet.

No deductible will apply to this coverage.

2. **Emergency Repairs After Loss.** We will pay any actual, reasonable and necessary expenses for emergency repairs incurred in protecting your insured property from further damage if the damage was caused by an Insured Peril.

No deductible will apply to this coverage.

3. **Emergency Removal of Your Personal Property.** We will pay when your personal property must be moved because it is endangered by an Insured Peril. We will pay the actual, reasonable and necessary cost up to \$250 to remove and return your personal property to your **premises** described on the Declarations Page.

No deductible will apply to this coverage.

4. **Emergency Removal of Your Dwelling.** We will pay when your dwelling must be moved because it is endangered by an Insured Peril. We will pay the actual, reasonable and necessary cost to remove and return your dwelling to your **premises** described on the Declarations Page.

No deductible will apply to this coverage.

5. **Fire Department Service Charge** (not applicable in Arizona, New Jersey and New Mexico). We will pay the actual, necessary and reasonable charges, up to \$1,000, for fire department services rendered when the fire department is called to save or protect property from an Insured Peril.

No deductible will apply to this coverage.

6. **Trees, Shrubs, Plants and Lawns.**

We will pay up to 5% of the Amount of Insurance shown for Coverage A – Dwelling for loss to trees, shrubs, plants and lawns on your **premises**. We will not pay more than \$500 for any one tree, shrub, plant or lawn including the cost of removing the debris of the insured property.

Coverage applies to loss caused by fire, lightning, explosion, riot, civil commotion, aircraft and vehicles not owned or operated by any resident of your **premises**, vandalism, malicious mischief or theft.

But we do not insure trees, plants, shrubs or lawn:

- a. Grown for **business** purposes.
- b. Located more than 150 feet from your dwelling described on the Declarations Page.

No deductible will apply to this coverage.

7. **Credit Card, Money Transfer Card, Check Forgery and Counterfeit Money.**

a. **Credit Card and Money Transfer Card Coverage.** If you are legally required to pay for the unauthorized use of a credit card or charge plate issued to you, we will insure the loss. We will also pay for loss which results from unauthorized use of a money transfer card issued to you.

But we do not insure:

- (1) use of the credit card or money transfer card by any of you.

- (2) use by someone to whom you have given the card or plate.

- (3) use unless you have met all the terms under which the card or plate was issued.

b. **Check Forgery Coverage.** We insure loss to you caused by forgery or alteration of a check. This includes all negotiable instruments.

c. **Counterfeit Money Coverage.** We insure loss sustained by you through acceptance in good faith of counterfeit United States or Canadian paper currency.

We will not pay more than \$1,500 for any one loss involving one or more of these coverages. Repeated losses caused by any one person or in which any one person is involved are to be considered one loss.

We do not insure any loss that arises from your **business** pursuits or dishonesty.

If a claim is made or suit is brought against any of you for liability under the Credit Card or Money Transfer Card Coverage, we will defend you. We will defend at our expense with legal counsel of our choice.

We may, at our option and at our expense, defend you or your bank against a suit to enforce payment under the Check Forgery Coverage.

We may investigate any claim or settle any suit as we think appropriate.

We will not defend after we have paid or offered to pay \$1,500 for any one loss involving one or more of these coverages.

No deductible will apply to this coverage.

8. **Food Spoilage.** We will pay the actual, necessary and reasonable cost, up to \$500, for spoilage of food in your freezer or refrigerator, on your **premises**, when the damage is caused by interruption of electrical service or mechanical breakdown.

A deductible of \$50 will apply to each loss.

9. **Loss Assessment.** We will pay your share of any assessment charged against all members of an association of property owners if the assessment is made as a result of direct, sudden and accidental physical loss caused by an Insured Peril to the property collectively owned by all members.

This coverage applies only to assessments made against you as the owner of your **premises** for losses which occur during the Policy Period shown on the Declarations Page. We will pay up to \$1,000 with respect to any one loss regardless of the number of assessments made.

This coverage does not apply to property that we do not insure if owned by you.

No deductible will apply to this coverage.

10. **Ordinance or Law.**

We will pay the actual, reasonable and necessary cost up to 5% of the Amount of Insurance shown on the Declarations Page for Coverage A - Dwelling or Coverage B - Other Structures for:

- a. The increased costs caused by the enforcement of any governmental requirement regulating construction, repair, renovation, remodeling or demolition of that part of your dwelling or other structures damaged by an Insured Peril.

- b. The increased costs caused by the enforcement of any governmental requirement regulating the construction, repair, renovation, remodeling or demolition of the undamaged part of your dwelling or other structures if it is necessary to repair that part of your dwelling or other structures damaged by an Insured Peril.

We will not pay:

- a. The costs to comply with any ordinance or law which requires any of you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.
- b. For the loss in value to your dwelling due to the requirement of any ordinance or law.
- c. The cost to repair, replace, rebuild, stabilize or otherwise restore land.

No deductible will apply to this coverage.

11. **Locksmith Coverage.** We will pay the actual, reasonable and necessary cost, up to \$500, for locksmith services required because of a loss or theft of any of your house keys.

No deductible will apply.

SECTION I — Insured Perils

We insure risk of direct, sudden and accidental physical loss to the property described in Coverage A - Dwelling, Coverage B - Other Structures and Coverage C - Personal Property unless the loss is excluded elsewhere in this policy.

SECTION I — Exclusions

We do not insure 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.

1. Loss intentionally caused by any of you or performed at any of your direction.
2. Loss of or to any property caused by, consisting of or increased by the enforcement of any governmental requirement regulating:
 - a. Sale.
 - b. Confiscation.
 - c. Seizure.
 - d. Occupancy.
 - e. Relocation or removal.

But we do insure loss arising out of a government action to prevent the spread of fire provided that a loss caused by fire would otherwise be insured by this policy.

3. Loss caused by the use, sale, manufacture, distribution, delivery, transfer or possession of any illegal substance or the illegal possession of a controlled substance as defined by federal or state law by any of you. Such substances include but are not limited to lysergic acid diethylamide (LSD), methamphetamines, marijuana and all narcotic drugs.
4. Loss caused by war, whether declared or undeclared, including civil war, insurrection, rebellion or revolution.
5. Loss caused by:
 - a. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**.

- b. Loss, cost or expense from any governmental direction or request that any of you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.
6. Loss caused by:
 - a. Flood water, surface water, waves, tidal water, storm surge, tsunami or overflow of a body of water from any source including spray from any of these whether or not driven by wind.
 - b. Water or sewage which backs up through sewers or drains or that overflows from a sump.
 - c. Water below the surface of the ground regardless of its source. This includes water which exerts pressure on or flows, seeps or leaks through any part of your dwelling or other structures, foundation, sidewalk, driveway or swimming pool.

This exclusion applies whether or not there was widespread damage and whether or not the loss was caused by a human activity or an act of nature.

This exclusion does not apply to ensuing loss caused by fire or explosion.

7. Loss caused by freezing, thawing, pressure or weight of water, ice or snow, whether driven by wind or not, to a fence, pavement, patio, swimming pool, septic system, foundation, retaining wall, bulkhead, pier, wharf or dock.
8. Loss caused by any **business** activity being conducted with or without your knowledge by any of you or any resident of your **premises**.
9. Loss caused by vandalism, burglary, malicious mischief, theft or any other unlawful taking of property if your dwelling has been vacant for more

than 30 consecutive days immediately before the loss.

This exclusion does not apply to ensuing loss caused by fire or explosion.

10. Loss caused by:

- a. Freezing of plumbing, heating or air conditioning systems, fire protection sprinkler systems or domestic appliances.
- b. Freezing of sumps or sump pumps and related equipment and piping.
- c. Discharge, leakage or overflow from the systems or appliances damaged by freezing.

This exclusion does not apply if you have taken reasonable care to:

- a. Maintain heat in your dwelling or other structure; or
- b. Shut off the water supply and drain the systems and appliances of water.

11. Loss caused by:

- a. Wear and tear, marring, scratching, deterioration, rust or other corrosion.
- b. Inherent vice, latent defect, mechanical breakdown, manufactured defect or mechanical failure.
- c. Mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind.
- d. Smog, smoke from agricultural smudging or industrial operations.
- e. Settling, cracking, shrinkage, bulging or expansion, including resulting cracking of pavements, patios, foundations, walls, floors, roofs or ceilings.
- f. Insects or domestic household animals or pets.

This exclusion does not apply to:

- a. Ensuing loss caused by fire or explosion.
- b. Water damage caused by water that suddenly escapes from a plumbing, heating, fire protection sprinkler or air conditioning system or domestic appliance because of any of the above.
- c. The cost of tearing out and replacing any part of your dwelling or other structure necessary to repair the system or appliance.

But we do not insure loss to the system or appliance from which the water escaped.

12. Loss caused by continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, fire protection sprinkler or air conditioning system or from within an appliance that occurs over a period of weeks, months or years.

This exclusion does not apply to ensuing loss caused by fire or explosion.

13. Loss to animals, including birds and fish unless caused by fire, lightning, windstorm, hail, smoke, explosion, riot or falling aircraft.
14. Loss caused by breakage of eyeglasses, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles unless the breakage is caused by or results from:
- a. Fire, lightning, windstorm or hail.
 - b. Explosion, riot or civil commotion.
 - c. Aircraft, vehicles or vandalism and malicious mischief.
 - d. Theft or attempted theft.

This exclusion does not apply to jewelry, watches, bronzes, cameras and photographic lenses.

15. Loss caused by leakage from rain, sleet or snow or its resulting damage whether or not wind-driven.

This exclusion does not apply to ensuing loss caused by fire or explosion.

16. Loss to your dwelling and personal property inside your dwelling during a **move**.

This exclusion does not apply to Your Additional Coverage 4. Emergency Removal of Your Dwelling.

17. Loss caused by earthquake, including land shock waves or tremors before, during, or after volcanic eruptions.

This exclusion applies whether or not there was widespread damage.

This exclusion does not apply to ensuing loss caused by fire or explosion.

18. Loss caused by nuclear reaction, explosion, radiation or radioactive contamination.

This exclusion does not apply to ensuing loss caused by fire or explosion.

SECTION I — Our Payment Methods

Coverage A — Dwelling

Total Loss Agreed Loss Payment Method

A total loss occurs when your dwelling is damaged beyond reasonable repair.

When a total loss occurs, your loss will be equal to the Amount of Insurance shown on the Declarations Page.

Partial Loss Actual Cash Value Payment Method

When a partial loss occurs, the amount we pay for loss to your dwelling will be the lowest of:

1. The **actual cash value** of the damaged portion of your dwelling at the time of the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement or repair or replace your dwelling with a dwelling of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been replaced, restored or repaired.

The damage to your dwelling will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Coverage B — Other Structures Coverage C — Personal Property

Total and Partial Loss Actual Cash Value Payment Method

The amount we pay for loss to your other structures or personal property will be the lowest of:

1. The **actual cash value** of the lost or damaged portion of your property at the time of the loss.
2. The amount required to repair or replace your lost or damaged property.
3. The Amount of Insurance shown on the Declarations Page for your damaged property.

4. Any applicable Special Amount of Insurance.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

The damage to your property will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Payment Methods — Specific Losses

Pairs, Sets or Series of Objects

In case of loss to a part of a pair, set, series of objects, pieces or panels, either interior or exterior, we may:

1. Repair or replace any part to restore the pair, set or series of objects to its value before the loss.
2. Pay the difference between **actual cash value** of the pair, set or series of objects before and after the loss.
3. Pay the reasonable cost of providing a substitute to match the remainder of the pair, set or series of objects as closely as possible.

We will not be obligated to repair or replace the entire pair, set, series of

objects, pieces or panels, either interior or exterior, when a part is lost or damaged.

Stolen Property

Before a loss for stolen property is paid or the property is replaced, we may return any recovered stolen property to you at our expense with payment for any damage.

SECTION I — Deductible

Any loss to insured property will be subject to the deductible shown on the Declarations Page or elsewhere in this policy unless stated otherwise.

If your insured loss, other than loss caused by earthquake or hurricane, exceeds \$5,000 the deductible will be waived.

Policy Conditions

1. **Insurable Interest and Amount of Insurance.** Regardless of the number of people or organizations who have an interest in the insured property, we will not be liable in any one loss for more than the lesser of:
 - a. The interest of a person or organization insured.
 - b. The applicable Amount of Insurance.The insuring of more than one person or organization by this policy does not increase the Amounts of Insurance.
2. **Joint Obligations.** The terms of this policy impose joint obligations on each and every one of you. This means that the responsibilities, acts and failures to act of any of you will be binding upon all of you.
3. **Concealment or Fraud.** The entire policy will be void if any of you:

- a. Intentionally conceal or misrepresent any material fact or circumstance;
- b. Engage in fraudulent conduct;
- c. Make false statements;

whether before or after a loss or claim relating to this insurance.

4. **What to Do When You Have a Loss.**

You or someone on your behalf must promptly report to the police any theft, robbery or burglary loss after you discover the loss.

In the event of a loss, you or someone on your behalf must notify us at once. The quickest way is to phone your insurance representative or us. Please give your name, policy number, how the loss happened, the extent of the damages, names of witnesses and all other pertinent facts. You must promptly send us any demand, notice, summons or other legal papers you receive.

If we need other information to investigate the loss, we will ask you for it. We may require this information in writing.

If you have a loss, you must protect your dwelling, other structures or personal property from any further damage. If you fail to do so, any further damage will not be insured by this policy.

We may require that you submit to us a notarized statement of loss. The statement must be submitted within 90 days of our request that you do so. You will be required to show us the damaged property and submit to examination under oath. You will be required to cooperate with us in our effort to investigate the loss. If you fail to cooperate, we have the right to deny you coverage in this policy.

You may not, except at your own cost, voluntarily make any payment, assume any obligation or incur any expenses. This provision does not apply for Emergency Repairs After Loss.

We will offer to make settlement within 30 days after we receive an acceptable proof of loss from you and the amount of loss is determined as provided in this policy.

5. **Appraisals.** If you and we fail to agree on the amount of the loss, then both you and we have the right to select a competent and disinterested appraiser within 20 days from the day of disagreement. The appraisers will determine the amount of the loss. If they do not agree, then the appraisers will choose a competent and disinterested umpire. Then each appraiser will submit his amount of the loss to an umpire selected by them or by a court having jurisdiction if the appraisers cannot agree upon an umpire. The agreement of any two will determine the amount of loss for damage to your property. You pay your appraiser and we pay our appraiser. You and we share equally the expenses of the umpire and all other expenses of the appraisals.

In no event will an appraisal be used for the purpose of interpreting any policy provision, determining causation or determining whether any item or loss is insured by this policy. If there is an appraisal, we still retain the right to deny the claim.

6. **Other Insurance.**

- a. 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.

- b. If at the time of loss, there is other insurance in the name of a corporation or association of property owners insuring the same property insured by this policy, this insurance will be excess over the amount recoverable under such other insurance.

7. **Our Right to Recover from Others.**

After we have paid a claim we have the right to recover the payment from anyone who may be held responsible for the loss. You are required to sign any papers and do whatever else is necessary to transfer this right to us. Neither you nor anyone we insure in this policy has the right to do anything to prejudice our right.

You may waive your rights to recover against another person for loss involving the property insured by this policy. This waiver must be in writing prior to the date of loss.

- 8. **Legal Action Against Us.** You may not bring legal action against us concerning this policy unless you have fully complied with all of the policy terms. If you and we have failed to agree on the amount of the loss, then you may not bring legal action against us until you have submitted and resolved that dispute through appraisal as described in Condition 5. Suit must be brought within one year after the loss occurs.
- 9. **Lienholder Interest.** If you borrowed money to buy your dwelling, the person or business that loaned you the money is called the lienholder. The designation of a lienholder is considered to be an acknowledgment by you that the entity named has a

legal interest in your dwelling due to an installment sales contract or other security agreement. Your lienholder may require you to name it on the Declarations Page as a separate insured party for any insurable interest it may have.

When a lienholder is named on the Declarations Page, Our Payment Method will recognize the lienholder's interest in your property. If we elect to settle your loss or damage in money, both your name and your lienholder's will appear on our payment check. If you have paid off your lienholder, please tell us so that the lienholder's name may be removed from the Declarations Page.

If your interest in your dwelling is terminated, Our Payment Method will recognize only the lienholder's interest in this policy. No change in title or ownership of your dwelling or any acts of yours will cancel the lienholder's interest in this policy.

You or the lienholder must let us know promptly of any change of ownership or any increase in hazard which comes to you or the lienholder's knowledge.

If you fail to pay any premium due for this policy, your lienholder may be requested to pay that premium.

If we require proof of loss and you fail to give it within 90 days, the lienholder is given an additional 30 days to do so.

- 10. **Trustee Interest.** If legal title to the dwelling described on the Declarations Page is held by a Trust, the following provisions apply in addition to the provisions contained in the Insuring Agreement:

a. SECTION I - Your Property Coverages

- (1) With respect to Coverage A - Dwelling, Coverage B - Other Structures, and Coverage C - Personal Property, you, your and yours mean the Trust and beneficiaries of the Trust who reside in the dwelling.
- (2) With respect to Coverage D - Additional Living Expenses, you, your and yours mean a resident of the dwelling who is a Trustee and a beneficiary of the Trust.
- (3) With respect to Your Additional Coverages, you, your and yours mean the Trust and beneficiaries of the Trust who reside in the dwelling, as their interests may appear.

b. SECTION I - Exclusions

All exclusions apply to the interests of and losses sustained by any of the Trust, Trustees and beneficiaries of the Trust.

11. **Changes.**

a. Policy Changes

- (1) If any provision of this policy is in conflict with any governmental requirements at the time your policy is written, it is automatically changed to conform to them.
- (2) If we broaden the coverages provided by this edition of the policy without additional premium charges during the Policy Period, we will give

you the benefit of these broadened coverages.

- (3) The only other way this policy can be changed is if we change it in writing, which will be made a part of this policy. Any adjustment in premium will be made at that time.
- (4) If your policy is renewed, we will furnish you any form revisions applicable to your policy.

b. Midterm Rate Changes

The premium you are charged for this policy is based on information that you provided to us, and on information we gather from other sources. You must immediately inform us if any of the information you have provided to us changes, is incomplete, or is incorrect. Based on the changed, completed or corrected information, we may decrease or increase the premium for your policy during the Policy Period.

Any premium increase or decrease will be based on the rules and rates in effect at the inception of the Policy Period.

12. **Bankruptcy.** If you become bankrupt or insolvent, we will still insure you for the period of time your premium is paid.
13. **Transfer of This Policy.** You may not transfer any interest in this policy without our written consent. If you die, this policy will continue in force for the remainder of the Policy Period shown on the Declarations Page. This policy will continue for other members of your family entitled to coverage at the time of your death or

for your legal representative, but only with respect to the property insured by this policy at the time of death.

14. **Abandoned Property.** We are not obliged to accept abandoned property.
15. **No Benefit to Bailee.** This insurance will not benefit any person or organization who may be caring for or handling your property for a fee.
16. **Inspections and Consumer Reports.** We are permitted, but not obligated, to inspect your property and order consumer reports. Our inspection does not warrant that the property is safe or healthful or in compliance with any law, rule, regulation, or building code.
17. **Your Duties to Maintain Policy Amounts of Insurance.** It is your responsibility to maintain adequate amounts of insurance on your dwelling, other structures and personal property. But to help you do that we may, but are not obligated to, adjust your policy Amounts of Insurance. If an adjustment is made, it will become effective on the renewal date of your policy and will be based upon data supplied to us by recognized agencies or organizations.

You will be notified in advance of the new Amounts of Insurance. Payment of your renewal is all that is necessary to indicate your acceptance of the new Amounts of Insurance.

If you want to change the new Amounts of Insurance, you may do so by contacting your insurance representative.

18. **Salvage Rights.** If as a result of your loss, we pay you in cash or by replacement an amount equal to the **actual cash value** of your property

before the loss, at our option we have the right, but not the obligation, to take legal title of your property.

19. **Cancellation.** You may cancel your policy by returning the Declarations Page to us or by mailing to us a written notice telling us the advance date that cancellation is to become effective. If a lienholder is named on the Declarations Page, we will mail acknowledgment to the lienholder regarding cancellation of the lienholder's interest in this policy.

We may cancel this policy for any reason during the first 60 days we insure you. After the first 60 days we may cancel it if:

- a. The risk has changed substantially since the policy was issued; or
- b. If you or your representative:
 - (1) Conceal, omit or misrepresent any material facts or circumstances;
 - (2) Make a false or fraudulent claim;
 - (3) Fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed; or
 - (4) Have not paid the premium.

We will mail a cancellation notice to you at least 30 days (10 days if you have not paid the premium) before this policy is cancelled. We will mail a cancellation notice to your last address known to us or your insurance representative. We will also give the same notice to your lienholder.

Your lienholder may cancel this policy if your dwelling has been

foreclosed or your lienholder has otherwise acquired ownership of it. Your lienholder may then cancel this policy on behalf of all parties who have an interest insured by this policy and upon surrender of this policy.

If there is any refund of premium due you, we will mail it to you with your cancellation notice or as soon as possible after we mail the notice. The return premium will be calculated pro rata. If you cancel, return premiums will be subject to the "Minimum Earned Premium" shown on the Declarations Page of this policy. Pro rata cancellation means that we keep premium only for the period of time you were insured. If your premium is financed, that financing interest will be recognized in any refund due.

20. **Lifetime Continuation Agreement.**

We agree to offer to renew your policy unless we mail to you, at least 45 days but not more than 60 days before the "To" date shown on the Declarations Page, written notice of our intention not to renew this policy. If you do not pay the renewal premium as we require, we will assume that you have declined our offer.

We may nonrenew your policy only if:

You or your representative:

Conceal, omit or misrepresent any material facts or circumstances; or

Make a false or fraudulent claim; or

Fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed; or

Have knowledge of any change that substantially increases the risk assumed by us; or

Have not paid the premium.

Continuation of the policy could place us in violation of the insurance laws of your state.

21. **Automatic Termination.** If we offer to renew or continue this policy, but you or your representatives do not accept our offer, then this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due will mean that you have not accepted our offer.

22. **Notice of Cancellation or Nonrenewal.** The Notice of Cancellation or Nonrenewal will be mailed or delivered to you and your insurance representative's last address known. If notice is mailed, proof of mailing will be sufficient proof of notice.

This policy is signed at the Home Office by our President and Secretary. It is countersigned on the Declarations Page by our authorized representative(s) if required.



President



Secretary

ADDITIONAL INSURED

4093 11/07

INSURING AGREEMENT

The following is added to the Insuring Agreement:

You, your and yours also means the person or organization named in this Additional Insured - Nonresident form with respect to:

1. Coverage A - Dwelling and Coverage B - Other Structures shown in SECTION I;
2. Coverage C - Personal Property shown in SECTION I if it is specifically shown that the additional insured has an interest in any personal property;
3. If a Limit of Liability is shown on the Declarations Page in SECTION II and only with respect to the ownership, maintenance or use of the **premises** shown on the Declarations Page.

Personal Liability does not apply to **bodily injury** to any employee arising out of or in the employee's employment by the additional insured.

Name and Address of Additional Named Insured:

Interest:

4093 11/07

All other provisions of your policy apply.

CERTIFICATE HOLDER
4094 03/06

Insurance Company:

Policy Number:

Effective Date:

Expiration Date:

Named Insured:

Property Location:

Certificate Holder:

The dwelling described on this certificate is insured by the policy shown. If this policy is terminated, notice will also be mailed to the Certificate Holder named above.

This certificate does not amend or supercede any provision of the policy.

4094 03/06

EXCESS DWELLING COVERAGE

4258 06/08

SECTION I - Our Payment Methods

Our Payment Methods for Coverage A - Dwelling and Coverage B - Other Structures are changed to read:

Coverage A - Dwelling

Total Loss

Agreed Loss Payment Method

A total loss occurs when your dwelling is damaged beyond reasonable repair.

When a total loss occurs, your loss will be equal to the Amount of Insurance shown on the Declarations Page.

If you do not replace your dwelling on the same **premises**, we will pay the Amount of Insurance shown on the Declarations Page.

If you do replace your dwelling on the same **premises** with a new dwelling of like kind and quality within 365 days of the loss, and if the cost to replace your dwelling exceeds the Amount of Insurance we have already paid to you, we will pay the additional amount that you actually spend for the replacement. But we will not pay any more than an additional 25% of the Amount of Insurance shown on the Declarations Page.

Partial Loss

Replacement Cost Payment Method

When a partial loss occurs, the amount we pay for loss to your dwelling will be the lowest of:

1. The **replacement cost** of the damaged portion of your dwelling.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

If the cost to repair or replace your damaged property is more than \$2,500, we will pay no more than the **actual cash value** of that damage until actual repair or replacement is completed.

We may make a cash settlement or repair your dwelling with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been restored or repaired.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365

days after the loss for any additional cost you incur in replacing your damaged dwelling. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your dwelling will be the lowest of:

1. The **actual cash value** of the damaged portion of your dwelling at the time of the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement or repair or replace your dwelling with a dwelling of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been replaced, restored or repaired.

The damage to your dwelling will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Coverage B - Other Structures

Total and Partial Loss

Replacement Cost Payment Method

The amount we pay for loss to your other structure will be the lowest of:

1. The **replacement cost** of the damaged portion of your other structure.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your other structure.
3. The Amount of Insurance shown on the Declarations Page.

If the replacement cost for your damaged property is more than \$2,500, we will pay no more than the **actual cash value** of that damage until actual repair or replacement is completed.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your damaged property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365 days after the loss for any additional cost you incur in replacing your damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your other structure will be the lowest of:

1. The **actual cash value** of the damaged part of your other structure at the time of the loss.
2. The amount required to repair or replace your damaged other structure.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value, or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

The damage to your property will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

DEFINITIONS

Replacement cost means:

The cost to repair or replace property, without deduction for depreciation, with new property of like kind and quality using materials and construction methods which are generally used and are available at the time of the loss.

But **replacement cost** does not mean loss, damage or increased loss caused by enforcement of any governmental requirement regulating construction, repair, occupancy, renovation, remodeling or demolition.

REQUIRED CHANGE - ARKANSAS
4279 08/08

SECTION I - Your Property Coverages

We do not insure:

The following exception to coverage is changed to read:

Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth.

This exception to coverage does not apply to loss from mold that directly ensues from an otherwise insured loss.

Policy Conditions

5. Appraisals

The following paragraph is added:

All appraisal procedures are voluntary and nonbinding and will not deprive you of the right to trial by jury on any question of fact arising under this policy.

8. Legal Action Against Us is changed to read:

Legal Action Against Us. You may not bring legal action against us concerning this policy unless you have fully complied with all of the policy terms. If you and we have failed to agree on the amount of the loss, then you may not bring legal action against us until you have submitted and resolved that dispute through appraisal as described in Condition 5. Suit must be brought within five years after the loss occurs.

Arkansas - Important Notice

If fire loss occurs, we are required by state law to furnish relevant information relating to the loss to any state or federal law enforcement or other agency which has responsibility for investigation of fires if:

- the agency requests the information, or
- after investigating the fire, we have reason to believe it was not of accidental origin.

If we provide information to a fire investigation agency, we will:

- notify you of that action within 90 days; and
- send you a copy of the report upon the commencement of civil action or criminal prosecution.

**DWELLING REPLACEMENT COST PAYMENT METHOD FOR PARTIAL LOSS
OTHER STRUCTURES REPLACEMENT COST PAYMENT METHOD FOR TOTAL AND PARTIAL LOSS
(Except for Non-Structural Hail Losses)**

5106 01/08

SECTION I - Our Payment Methods

Our Payment Methods for Coverage A - Dwelling for partial loss and Coverage B - Other Structures total and partial loss are changed to read:

Coverage A - Dwelling

Partial Loss

Replacement Cost Payment Method

When a partial loss occurs, the amount we pay for loss to your dwelling will be the lowest of:

1. The **replacement cost** of the damaged portion of your dwelling.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

If the cost to repair or replace your damaged property is more than \$2,500, we will pay no more than the **actual cash value** of that damage until actual repair or replacement is completed.

We may make a cash settlement or repair your dwelling with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been restored or repaired.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365 days after the loss for any additional cost you incur in replacing your damaged dwelling. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your dwelling will be the lowest of:

1. The **actual cash value** of the damaged portion of your dwelling at the time of the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement or repair or replace your dwelling with a dwelling of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been replaced, restored or repaired.

The damage to your dwelling will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Partial Loss - Non-structural Hail

Hail often dents the exterior surface of a dwelling. Since there is not structural damage, this will in no way affect the utility of the dwelling. When this type of loss occurs, the amount we pay will be the lowest of:

1. The difference between the **actual cash value** of your dwelling immediately before the loss and its **actual cash value** immediately after the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page for your dwelling.

Coverage B - Other Structures

Total and Partial Loss

Replacement Cost Payment Method

The amount we pay for loss to your other structure will be the lowest of:

1. The **replacement cost** of the damaged portion of your other structure.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your other structure.
3. The Amount of Insurance shown on the Declarations Page.

If the replacement cost for your damaged property is more than \$2,500, we will pay no more than the **actual cash value** of that damage until actual repair or replacement is completed.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your damaged property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365 days after the loss for any additional cost you incur in replacing the damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your other structure will be the lowest of:

1. The **actual cash value** of the damaged part of your other structure at the time of the loss.
2. The amount required to repair or replace your damaged other structure.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value, or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

The damage to your property will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Partial Loss - Non-structural Hail

Hail often dents the exterior of other structures. Since there is not structural damage, this will in no way affect the utility of the other structures. When this type of loss occurs, the amount we pay will be the lowest of:

1. The difference between the **actual cash value** of your damaged other structures immediately before the loss and its **actual cash value** immediately after the loss.
2. The amount required to repair or replace your other structure.
3. The Amount of Insurance shown on the Declarations Page for your other structures.

DEFINITIONS

Replacement cost means:

The cost to repair or replace property, without deduction for depreciation, with new property of like kind and quality using materials and construction methods which are generally used and are available at the time of the loss.

But **replacement cost** does not mean loss, damage or increased loss caused by enforcement of any governmental requirement regulating construction, repair, occupancy, renovation, remodeling or demolition.

ADDITIONAL NAMED INSURED

6586 02/08

Name and Address of Additional Named Insured:

Insuring Agreement

The third paragraph is changed to include:

You, your and yours also means the additional person(s) named on this endorsement.

6586 02/08

All other provisions of your policy apply.

DECLARATIONS PAGE

YOU AS NAMED INSURED AND YOUR ADDRESS:

POLICY INFORMATION	Policy Period: From	To	12:01 A.M. STANDARD TIME
Policy Number:	-	-	Renewal Of:

DWELLING LOCATION			
Address:			In City Limits:
			County:

DWELLING INFORMATION	Width:	Length:	Serial Number:
Model Year:	Manufacturer/Model:		

RATING INFORMATION	Use:	Customer Age Group:	
Approved Park:	Auxiliary Heating Device:	Tied Down:	Age Of Dwelling: Years

YOUR POLICY IS SERVICED BY:

TELEPHONE:

Agency Code:

COVERAGES: This policy provides only the coverages as shown below and your additional coverages described in the policy.

SECTION I YOUR PROPERTY COVERAGES **AMOUNT OF INSURANCE***

*REFER TO SECTION I "OUR PAYMENT METHODS" TO SEE HOW THESE AMOUNTS WILL BE APPLIED

SECTION II YOUR LIABILITY COVERAGES **LIMIT OF LIABILITY**

TOTAL SECTION I AND II COVERAGES PREMIUM
TOTAL SECTION I COVERAGES PREMIUM

TOTAL SECTION I COVERAGES ADDITIONAL PREMIUM
TOTAL SECTION I COVERAGES RETURN PREMIUM
TOTAL SECTION I AND II COVERAGES ADDITIONAL PREMIUM
TOTAL SECTION I AND II COVERAGES RETURN PREMIUM

SECTION I DEDUCTIBLE

SECTION I LOSSES OR AMOUNTS OF INSURANCE ARE SUBJECT TO A DEDUCTIBLE OF \$ UNLESS STATED OTHERWISE IN YOUR POLICY AND ENDORSEMENTS.

FORMS AND ENDORSEMENTS **ADDL/RETURN** **POLICY PREMIUM**

TOTAL FORMS AND ENDORSEMENTS PREMIUM

OTHER CHARGES **ADDL/RETURN** **CHARGES**

TOTAL POLICY PREMIUM AND OTHER CHARGES

TOTAL ADDITIONAL PREMIUM AND OTHER CHARGES RESULTING FROM THIS CHANGE	
------------------------------------------------------------------------------	--

TOTAL RETURN PREMIUM AND OTHER CHARGES RESULTING FROM THIS CHANGE	
--------------------------------------------------------------------------	--

TOTAL POLICY PREMIUM AND OTHER CHARGES	
-----------------------------------------------	--

SAVINGS INCLUDED IN YOUR POLICY PREMIUM

STATE SPECIFIC MESSAGES

Countersigned

_____ at _____ by _____

REASONS FOR THIS CHANGE

SERFF Tracking Number: FORE-125749567 State: Arkansas
 Filing Company: Foremost Property & Casualty Insurance State Tracking Number: EFT \$50
 Company
 Company Tracking Number: D-12
 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Supporting Document Schedules

Bypassed -Name: Uniform Transmittal Document-
 Property & Casualty
Bypass Reason: All information is provided on form schedule.
Comments:

Review Status:
 Approved 08/29/2008

Satisfied -Name: Cover letter
Comments:
Attachment:
 Arkansas form SOR.pdf

Review Status:
 Approved 08/29/2008

Satisfied -Name: Exhibits X and Y
Comments:
Attachments:
 Exhibit X2-4085.pdf
 Exhibit Y2-4086.pdf

Review Status:
 Approved 08/29/2008

Satisfied -Name: Exhibits A and B
Comments:
Attachment:
 Exhibits A and B.pdf

Review Status:
 Approved 08/29/2008

Satisfied -Name: Exhibits 1,2,4-6
Comments:
Attachments:
 Exhibit 1-3412.pdf
 Exhibit 2_4258.pdf

Review Status:
 Approved 08/29/2008

SERFF Tracking Number: FORE-125749567 State: Arkansas
Filing Company: Foremost Property & Casualty Insurance State Tracking Number: EFT \$50
Company
Company Tracking Number: D-12
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Satisfied -Name: Exhibits 7 thru 10 **Review Status:** Approved 08/29/2008
Comments:
Attachments:
Exhibit 7-4045.pdf
Exhibit 8-4047.pdf
Exhibit 9-4048.pdf
Exhibit 10-4055.pdf

Satisfied -Name: Exhibits 11 thru 13 **Review Status:** Approved 08/29/2008
Comments:
Attachments:
Exhibit 11_Dec-1.pdf
Exhibit 11_Dec-2.pdf
Exhibit 12_4046.pdf
Exhibit 13_2469.pdf

Satisfied -Name: Table of Contents **Review Status:** Approved 08/29/2008
Comments:
Attachment:
Table of Contents 808.pdf

**Foremost[®] Property and
Casualty Insurance Company**

2450

ADMINISTRATIVE OFFICES
5600 Beech Tree Lane
Caledonia, Michigan 49316-0050

MAILING ADDRESS
ATTN: STATE FILINGS DEPT.
P.O. Box 2450
Grand Rapids, Michigan 49501-

August 5, 2008

Honorable Mike Pickens
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: Foremost Property and Casualty Insurance Company
NAIC #212-11800
Manufactured Home Insurance Program
Revision to the Form Section

Dear Mr. Pickens:

We submit this filing for your formal stamp of approval or acknowledgement.

The primary purpose of this filing is to introduce our new Manufactured Homeowners Insurance policies. These policies will replace our current Mobile Home Insurance Policies.

The title of this program has been changed from Mobile Home Insurance Program to Manufactured Home Insurance Program, as a result of revisions to our policy contracts and endorsements. Please refer to our Forms Section for more details. Many of the changes in the corresponding rule and rate filing have been made to accommodate our forms revisions.

Our Mobile Home Insurance Policy has been in place for approximately 11 years without major revisions. In our new policies, we are introducing several coverage enhancements. These are discussed in our Summary of Revisions.

Here is a synopsis of the contents of our Summary of Revisions, which has been developed to assist your review.

Form Section

We have revised the style of our policy and many current endorsements have been made a part of the base contract.

**Foremost[®] Property and
Casualty Insurance Company**

Mr. Pickens
Page Two
August 5, 2008

The following rule of implementation will apply:

This filing will be effective for all new and renewal policies written to be effective on and after February 15, 2009. No policy effective prior to the above date is to be cancelled and rewritten to take advantage of or to avoid the application of this filing except at the request of the insured.

EXCEPTION:

The Declarations Page contained in this filing will be effective for all policies processed on and after December 12, 2008.

Very truly yours,

Kaan K. Cidanli
State Filings Administrator
State Filings
Phone No. (616) 956-3645
Fax No. (616) 956-2093
e-mail: kaan.cidanli@foremost.com

KKC/ds

Enclosures: Summary of Revisions, 7/08
Coverage Enhancements – Exhibits X and Y
Exhibits A and B
Exhibits 1 thru 12
Table of Contents
Forms

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

CONTENTS

SECTION	PAGE NUMBER
Form Section	1 thru 4
Replacement of Forms	5 and 6
Coverage Enhancements – Exhibits X and Y	
Policy Comparisons – Exhibits A and B	
Endorsement Comparisons – Exhibit 1 thru 12	

FLESCH READABILITY SCORES

Form Number	Title	Flesch Score
4085 01/08	Homeowners Insurance for Manufactured Homes	50.481
4086 01/08	Homeowners Insurance for Manufactured Homes Property Coverage Only	51.376
2469 07/08	Excess Dwelling Coverage (Except for Non-Structural Hail Losses)	56.050
3412 01/07	Scheduled Personal Property Coverage	55.763
4035 01/07	Additional Coverage Endorsement	54.811
4041 01/07	Coverage C – Personal Property Increase in Special Amount of Insurance for Tools	45.107
4043 01/07	Additional Residence – Owner-Occupied	27.147
4044 01/07	30-Day Trip Coverage	55.743
4045 01/07	Additional Insured – Nonresident	32.562
4046 10/07	Flood Coverage	49.906
4047 01/07	Unrelated Named Insured	60.395
4048 01/07	Earthquake	58.050
4054 01/07	Hobby Farm or Ranch and Animal Liability Endorsement	54.282
4055 01/07	Replacement Cost Personal Property	50.534
4056 01/07	Specific Structure Exclusion	34.593
4057 01/07	Animal Liability Exclusion – Personal Liability	41.733
4058 01/07	Water Damage From Sewers and Drains	52.695
4060 01/07	Incidental Business Liability Endorsement	55.525
4093 11/07	Additional Insured	36.793
4094 03/06	Certificate Holder	43.137
4258 06/08	Excess Dwelling Coverage	55.483
4279 06/08	Required Change - Arkansas	49.970
5106 01/08	Dwelling Replacement Cost Payment Method for Partial Loss Other Structures Replacement Cost Payment Method For Total and Partial Loss	55.115
6586 02/08	Additional Named Insured	62.932
82999 01/07	Declarations Page	not required

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

FORM SECTION

The primary purpose of this form filing is to introduce our new Homeowners Insurance policies for Manufactured Homes. Our current policies have been in place for up to 11 years without major revisions.

CHANGE TO POLICY CONTRACT FORMAT

Our current policy offerings are as follows:

<u>Form Number</u>	<u>Title</u>
3826 03/97	Mobile Home Insurance Policy
3832 03/97	Mobile Home Insurance Policy – Property Coverage Only

We are proposing to introduce the following policies:

<u>Form Number</u>	<u>Title</u>
4085 01/08	Homeowners Insurance for Manufactured Homes
4086 01/08	Homeowners Insurance for Manufactured Homes – Property Coverage Only

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

FORM SECTION (continued)

COVERAGE ENHANCEMENTS

In the course of the change to our policy contract format, we made several coverage enhancements. Some of these are the result of the incorporation of previously optional coverage endorsement provisions into our new policies. Additional coverage enhancements were also made.

In order to enable you to review our coverage enhancements, we have created exhibits. Here is a summary of our exhibits:

<u>Policy Comparison</u> <u>s</u>	<u>Current Policy</u>	<u>Proposed Policy</u>	<u>Rate Exhibits</u>	<u>Coverage Enhancements Value</u>	
				<u>Premium if Purchased Separately</u>	<u>Pure Premium included in Policy</u>
A	3826 03/97 – Mobile Home Insurance Policy	4085 01/08 – Homeowners Insurance for Manufactured Homes	X	\$ 25.00	\$ 16.47
B	3832 03/97 – Mobile Home Insurance Policy – Property Coverage Only	4086 01/08 – Homeowners Insurance for Manufactured Homes – Property Coverage Only	Y	\$ 35.00	\$ 19.07

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

FORM SECTION (continued)

ENDORSEMENTS

We have rewritten the following forms:

<u>New Form Number & Title</u>	<u>Old Form Number & Title</u>	<u>Exhibit</u>
3412 01/07 – Scheduled Personal Property Coverage	2989 03/97 – Scheduled Personal Property Coverage	1
4258 06/08 – Excess Dwelling Coverage	6933 07/98 – Excess Dwelling Coverage	2
4041 01/07 – Coverage C – Personal Property Increase in Special Amount of Insurance for Tools	5717 05/98 or 2765 01/97 – Coverage C – Personal Property Increase in Special Amount of Insurance for Tools	4
4043 01/07 – Additional Residence – Owner-Occupied	2987 09/96 – Additional Residence – Owner-Occupied	5
4044 01/07 – 30-Day Trip Coverage	3052 03/97 – 30-Day Trip Coverage	6
4045 01/07 – Additional Insured – Nonresident	3054 11/96 – Additional Insured – Nonresident	7
4047 01/07 – Unrelated Named Insured	3421 02/96 – Unrelated Named Insured	8
4048 01/07 – Earthquake	3057 02/97 – Earthquake	9
4055 01/07 – Replacement Cost Personal Property	5640 06/99 – Replacement Cost Personal Property	10
4046 10/07 – Flood Coverage	2434 03/97 – Flood Coverage	12
2469 07/08 – Excess Dwelling Coverage (Except for Non-Structural Hail Losses)	6934 07/98 – Excess Dwelling Coverage (Except for Non-Structural Hail Losses)	13

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

FORM SECTION (continued)

The following are new forms –

- Form 4035 01/07 – Additional Coverage Endorsement
- Form 4054 01/07 – Hobby Farm or Ranch and Animal Liability
- Form 4056 01/07 – Specific Structure Exclusion
- Form 4057 01/07 – Animal Liability Exclusion – Personal Liability
- Form 4058 01/07 – Water Damage From Sewers and Drains
- Form 4060 01/07 – Incidental Business Liability Endorsement
- Form 4093 11/07 – Additional Insured
- Form 4094 03/06 – Certificate Holder
- Form 5106 01/08 – Dwelling Replacement Cost Payment Method for Partial Loss
Other Structures Replacement Cost Payment Method for Total and Partial Loss
- Form 6586 02/08 – Additional Named Insured

Form 82999 01/07 – Declarations Page

For details, please refer to Exhibit 11.

Form 4279 06/08 – Required Change – Arkansas

This form replaces Form 3557 09/01 – Required Change – Arkansas, in order to accommodate the new format of the proposed policies. No other changes are being made.

The following forms are being withdrawn -

- Form 3055 11/96 – Loss Assessment Coverage
- Form 3558 '04/99 – Repair Cost Payment Method (Except For Non-Structural Hail Losses)
- Form 5923 11/06 – Additional Coverage Endorsement
- Form 5975 05/04 – Additional Coverage Endorsement
- Form 6934 07/98 – Excess Dwelling Coverage

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

REPLACEMENT OF FORMS

Please withdraw –

Table of Contents – Revised Printing 12/07
Form 2434 03/97 – Flood Coverage
Form 2987 09/96 – Additional Residence – Owner-Occupied
Form 2989 03/97 – Scheduled Personal Property Coverage
Form 3052 03/97 – 30-Day Trip Coverage
Form 3054 11/96 – Additional Insured – Nonresident
Form 3055 11/96 – Loss Assessment Coverage
Form 3057 02/97 – Earthquake
Form 3421 02/96 – Unrelated Named Insured
Form 3557 09/01 – Required Change - Arkansas
Form 3826 03/97 – Mobile Home Insurance Policy
Form 3832 03/97 – Mobile Home Insurance Policy (Property Coverage only)
Form 5640 06/99 – Replacement Cost Personal Property
Form 5717 05/98 – Coverage C – Personal Property Increase in Special Amount of
Insurance for Tools
Form 5923 11/06 – Additional Coverage Endorsement
Form 5975 05/04 – Additional Coverage Endorsement
Form 6933 07/98 – Excess Dwelling Coverage
Form 6934 07/98 – Excess Dwelling Coverage (Except for Non-Structural Hail Losses)
Form 82000 03/97 – Mobile Home Declarations Page

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

REPLACEMENT OF FORMS (continued)

Please insert –

- Table of Contents – Revised Printing 7/08
- Form 2469 07/08 – Excess Dwelling Coverage (Except for Non-Structural Hail Losses)
- Form 3412 01/07 – Scheduled Personal Property Coverage
- Form 4035 01/07 – Additional Coverage Endorsement
- Form 4041 01/07 – Coverage C – Personal Property Increase in Special Amount of Insurance for Tools
- Form 4043 01/07 – Additional Residence – Owner-Occupied
- Form 4044 01/07 – 30-Day Trip Coverage
- Form 4045 01/07 – Additional Insured – Nonresident
- Form 4046 10/07 – Flood Coverage
- Form 4047 01/07 – Unrelated Named Insured
- Form 4048 01/07 – Earthquake
- Form 4054 01/07 – Hobby Farm or Ranch and Animal Liability Endorsement
- Form 4055 01/07 – Replacement Cost Personal Property
- Form 4056 01/07 – Specific Structure Exclusion
- Form 4057 01/07 – Animal Liability Exclusion – Personal Liability
- Form 4058 01/07 – Water Damage From Sewers and Drains
- Form 4060 01/07 – Incidental Business Liability Endorsement
- Form 4085 01/08 – Homeowners Insurance for Manufactured Homes
- Form 4086 01/08 – Homeowners Insurance for Manufactured Homes – Property Coverage Only
- Form 4093 11/07 – Additional Insured
- Form 4094 03/06 – Certificate Holder
- Form 4258 06/08 – Excess Dwelling Coverage
- Form 4279 06/08 – Required Change – Arkansas
- Form 5106 01/08 – Dwelling Replacement Cost Payment Method for Partial Loss Other Structures
Replacement Cost Payment Method for Total and Partial Loss
- Form 6586 02/08 – Additional Named Insured
- Form 82999 01/07 – Declarations Page

Foremost Property & Casualty Insurance Company
Homeowner Insurance for Manufactured Homes

Exhibit X

No	Coverage Description	Premium If Purchased Separately	Pure Premium If Included In Policy	Basis for Pure Premium Calculations
Coverage A - Dwelling				
1.	Additional debris removal will be limited to 5% or coverage A – Dwelling or \$5,000.	+\$10.00	\$0.00	The increase from \$2,500 to \$5,000 is expected to offset any negative coverage impact from this change.
2.	Eliminated loss of value settlement for hail losses.	+\$10.00	+\$7.00	This will add \$7.00 of pure premium (\$10 x .70 balance point loss ratio) to average loss.
Coverage B – Other structures				
3.	Added coverage for materials and supplies used in the construction or alteration of other structures.	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance
Coverage C – Personal Property				
4.	Reinforced intent not to insure camper bodies, camper trailers or travel trailers under \$1,000 trailer special limit	Not available separately	-\$0.80	8 in 100 earned units have exposure adding \$500 to trailer theft losses. (.0100 est. freq x .08 x \$1,000)
5.	Added \$5,000 special limit for firearms.	Not available separately	\$0.00	This reduction will result in a decrease in severity, but not to any significance.
6.	Increased special limit for memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contribute to their value from \$1,000 to \$1,500.	+\$11.25	+\$1.25	25 in 100 earned units have exposure adding \$500 to memorabilia theft losses. (.0100 est. freq x .25 x \$500)
7.	Expanded special limit for memorabilia to all perils not just theft.	-\$11.25	-\$2.29	25 in 100 earned units have exposure adding \$500 to memorabilia other than theft losses. (.0183 est. freq x .25 x \$500)
8.	Added special limit for vehicles or conveyances of \$5,000.	\$0.00	\$0.00	This reduction is being added in anticipation of the next generation of vehicles. We do not expect existing business to be affected by the new limitation.
9.	Eliminated coverage for damage to your property caused by domestic household animals.	Not available separately	\$0.00	This reduction will result in an decrease in coverage, but not to any significance.
Additional Coverage				
10.	Increased the amount for removal of trees under debris removal from \$500 to \$1,000.	Not available separately	+\$3.41	25 in 100 earned units have exposure adding \$500 to weather related debris removal. (.0273 est. freq x .25 x \$500)
11.	Added ordinance or law coverage	+\$15.00	+\$10.50	Estimate this will add \$10.50 of pure premium (\$15 x .70 balance point loss ratio) to average loss.
12.	Eliminated coverage for trees, shrubs plants and lawns more than 150 feet from the dwelling	Not available separately	\$0.00	This reduction will result in an decrease in coverage, but not to any significance.
Coverage E – Liability				
13.	Incidental farm or ranch operations and animal liability.	-\$10.00	-\$2.60	10 in 100 earned units have exposure adding \$4,318 to incidental farm liability losses. (.00601 est. freq x .10 x \$4,318)
14.	Expenses incurred at our request including loss of earnings has been increase from \$100 to \$250 per day.	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
Conditions				
15.	The policy has been extended to address properties held in trust.	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any

No	Coverage Description	Premium If Purchased Separately	Pure Premium If Included In Policy	Basis for Pure Premium Calculations
				significance.
	Totals	+\$25.00	+\$16.47	

Calculations Notes

1. Increase bus property bus spc limit – Theft off for 96, 97, 98 was 17 % of theft losses. Used 20% of 10 yr all thefts to est freq.
2. Increase spc limit for watercraft – used MI 6919 - .8/\$100. 1996-2005 group theft loss freq – 12% comes from cw nfo
3. Increase trailers – used 1996-2005 group theft loss freq – 8% comes from cw nfo – own travel trailer.
4. Jewelry inc limit – used \$1.25/100 for price – typical floater price. 1996-2005 group theft loss freq.
5. Firearms – used \$2.23/100 from typical floater. 1996-2005 group theft loss freq.
6. Memorabilia – used \$2.25/100 from typical floater. 1996 -2005 group theft loss freq. 1996-2005 other than theft losses.
7. Incidental farm – used 96-2005 liab freq and sev for liab.
8. Ordinance or law - \$15 x .6 bal pt = \$9
9. Appearance hail - The difference between appearance and replacement cost (this may change by state).

Foremost Property & Casualty Insurance Company
Homeowner Insurance for Manufactured Homes

Exhibit Y

No	Coverage Description	Premium If Purchased Separately	Pure Premium If Included In Policy	Basis for Pure Premium Calculations
Coverage A - Dwelling				
1.	Additional debris removal will be limited to 5% or coverage A – Dwelling or \$5,000.	+\$10.00	\$0.00	The increase from \$2,500 to \$5,000 is expected to offset any negative coverage impact from this change.
2.	Eliminated loss of value settlement for hail losses.	+\$10.00	+\$7.00	This will add \$7.00 of pure premium (\$10 x .70 balance point loss ratio) to average loss.
Coverage B – Other structures				
3.	Added coverage for materials and supplies used in the construction or alteration of other structures.	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance
Coverage C – Personal Property				
4.	Reinforced intent not to insure camper bodies, camper trailers or travel trailers under \$1,000 trailer special limit	Not available separately	-\$0.80	8 in 100 earned units have exposure adding \$500 to trailer theft losses. (.0100 est. freq x .08 x \$1,000)
5.	Added \$5,000 special limit for firearms.	Not available separately	\$0.00	This reduction will result in a decrease in severity, but not to any significance.
6.	Increased special limit for memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contribute to their value from \$1,000 to \$1,500.	+\$11.25	+\$1.25	25 in 100 earned units have exposure adding \$500 to memorabilia theft losses. (.0100 est. freq x .25 x \$500)
7.	Expanded special limit for memorabilia to all perils not just theft.	-\$11.25	-\$2.29	25 in 100 earned units have exposure adding \$500 to memorabilia other than theft losses. (.0183 est. freq x .25 x \$500)
8.	Added special limit for vehicles or conveyances of \$5,000.	\$0.00	\$0.00	This reduction is being added in anticipation of the next generation of vehicles. We do not expect existing business to be affected by the new limitation.
9.	Eliminated coverage for damage to your property caused by domestic household animals.	Not available separately	\$0.00	This reduction will result in an decrease in coverage, but not to any significance.
Additional Coverage				
10.	Increased the amount for removal of trees under debris removal from \$500 to \$1,000.	Not available separately	+\$3.41	25 in 100 earned units have exposure adding \$500 to weather related debris removal. (.0273 est. freq x .25 x \$500)
11.	Added ordinance or law coverage	+\$15.00	+\$10.50	Estimate this will add \$10.50 of pure premium (\$15 x .70 balance point loss ratio) to average loss.
12.	Eliminated coverage for trees, shrubs plants and lawns more than 150 feet from the dwelling	Not available separately	\$0.00	This reduction will result in an decrease in coverage, but not to any significance.
Conditions				
15.	The policy has been extended to address properties held in trust.	Not available separately	\$0.00	This enhancement will result in an increase in severity, but not to any significance.
Totals		+\$35.00	+\$19.07	

Calculations Notes

1. Increase bus property bus spc limit – Theft off for 96, 97, 98 was 17 % of theft losses. Used 20% of 10 yr all thefts to est freq.
2. Increase spc limit for watercraft – used MI 6919 - .8/\$100. 1996-2005 group theft loss freq – 12% comes from cw nfo
3. Increase trailers – used 1996-2005 group theft loss freq – 8% comes from cw nfo – own travel trailer.
4. Jewelry inc limit – used \$1.25/100 for price – typical floater price. 1996-2005 group theft loss freq.
5. Firearms – used \$2.23/100 from typical floater. 1996-2005 group theft loss freq.
6. Memorabilia – used \$2.25/100 from typical floater. 1996 -2005 group theft loss freq. 1996-2005 other than theft losses.
7. Incidental farm – used 96-2005 liab freq and sev for liab.
8. Ordinance or law - \$15 x .6 bal pt = \$9
9. Appearance hail - The difference between appearance and replacement cost (this may change by state).

Georgia - All Companies

	Net Written Premium	PIF
1998	11,952,643	27,557
1999	12,651,760	28,147
2000	13,873,277	30,402
2001	15,768,138	33,796
2002	18,048,146	36,951
2003	19,827,534	39,659
2004	21,592,214	40,589
2005	22,048,308	40,408
2006	22,860,721	39,541
2007	23,398,795	39,064
March-08	6,356,956	39,201

Georgia - Foremost Insurance

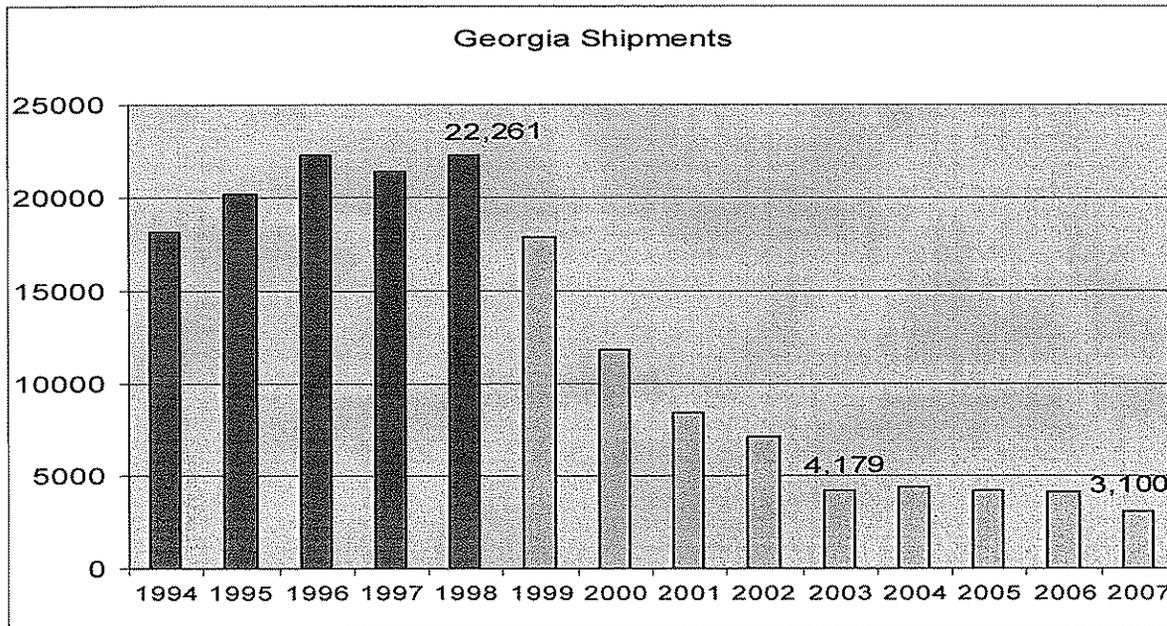
	Net Written Premium	PIF
1998	3,396,762	8,201
1999	3,404,326	7,915
2000	5,741,053	12,776
2001	8,751,254	18,826
2002	11,660,100	23,733
2003	13,959,691	27,832
2004	16,129,937	29,827
2005	16,954,717	30,620
2006	18,018,332	30,528
2007	18,687,710	30,620
March-08	5,205,283	30,905

Georgia - Foremost Signature

	Net Written Premium	PIF
1998	6,958,522	15,365
1999	7,554,822	16,182
2000	6,429,292	13,571
2001	5,244,423	10,873
2002	4,526,091	9,037
2003	3,912,922	7,581
2004	3,457,010	6,493
2005	3,051,609	5,639
2006	2,761,703	4,973
2007	2,537,859	4,447
March-08	598,070	4,331

Georgia - Foremost Property and Casualty

	Net Written Premium	PIF
1998	1,597,359	3,991
1999	1,692,612	4,050
2000	1,702,932	4,055
2001	1,772,461	4,097
2002	1,861,955	4,181
2003	1,954,921	4,246
2004	2,005,267	4,269
2005	2,041,982	4,149
2006	2,080,686	4,040
2007	2,173,226	3,997
March-08	553,603	3,965



NEW

OLD

Scheduled Personal Property Coverage –
Form 3412 01/07

Scheduled Personal Property Coverage –
Form 2989 03/97

Your personal property shown on the Scheduled Personal Property List is insured up to the Amount of Insurance shown below for all physical loss except as may be limited by this endorsement. No deductible applies to this coverage.

TYPE OF SCHEDULED PERSONAL PROPERTY	AMOUNT OF INSURANCE	PREMIUM
1. Jewelry.	\$	\$
2. Furs and garments trimmed with fur or consisting principally of fur.		
3. Cameras, projection equipment, video tapes and discs, and related camera and projection accessories.		
4. Golfer's equipment and tools.		
5. Postage stamps and other philatelic property owned by you or in your custody or control.		
6. Rare and current coins and numismatic property owned by you or in your custody or control.		
7. Firearms.		
8. Fine arts, silverware, silver-plated ware, gold ware, gold-plated ware and pewter ware. Memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contributes to their value.		
9. Musical instruments.		
TOTAL PREMIUM		

No change

Your personal property shown on the Scheduled Personal Property List is insured up to the Amount of Insurance shown below for all physical loss except as may be limited by this endorsement. No deductible applies to this coverage.

TYPE OF SCHEDULED PERSONAL PROPERTY	AMOUNT OF INSURANCE	PREMIUM
1. Jewelry.	\$	\$
2. Furs and garments trimmed with fur or consisting principally of fur.		
3. Cameras, projection equipment, video tapes and discs, and related camera and projection accessories.		
4. Golfer's equipment and tools.		
5. Postage stamps and other philatelic property owned by you or in your custody or control.		
6. Rare and current coins and numismatic property owned by you or in your custody or control.		
7. Firearms.		
8. Fine arts, silverware, silver-plated ware, gold ware, gold-plated ware and pewter ware. Memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contributes to their value.		
9. Musical instruments.		
TOTAL PREMIUM		

Additionally Acquired Scheduled Personal Property

If you buy or acquire additional jewelry, furs, cameras or musical instruments and the same type of personal property is already insured in this endorsement, we will insure it for 30 days after acquisition for the lesser of the following:

1. Up to 25% of the Amount of Insurance shown for that type of personal property.
2. \$10,000.

If you buy or acquire additional fine arts and the same type of personal property is already insured in this endorsement, we will insure it for 30 days after acquisition for the lesser of the following:

1. Up to 25% of the Amount of Insurance shown for that type of personal property.
2. The **actual cash value** of the objects.

You must tell us within 30 days of your acquisition of your desire to continue this additional insurance. Any change in your premium will be made at that time.

Additionally Acquired Scheduled Personal Property

If you buy or acquire additional jewelry, furs, cameras or musical instruments and the same type of personal property is already insured in this endorsement, we will insure it for 30 days after acquisition for the lesser of the following:

1. Up to 25% of the Amount of Insurance shown for that type of personal property.
2. \$10,000.

If you buy or acquire additional fine arts and the same type of personal property is already insured in this endorsement, we will insure it for 30 days after acquisition for the lesser of the following:

1. Up to 25% of the Amount of Insurance shown for that type of personal property.
2. The **actual cash value** of the objects.

You must tell us within 30 days of your acquisition of your desire to continue this additional insurance. Any change in your premium will be made at that time.

FORM COMPARISON

NEW

OLD

Scheduled Personal Property Coverage –
Form 3412 01/07

Scheduled Personal Property Coverage –
Form 2989 03/97

Narrative

Articles Subject to Limited Coverage

Golfer's equipment: Insurance is provided for golf clubs, golf clothing and golf equipment. We insure golf clothing while contained in any locker situated in a clubhouse or other building used in connection with golf. Watches, jewelry, and golf balls are excluded from coverage.

Non-described stamps and coins: We will pay the lesser of:

1. The **actual cash value** of the property at the time of loss.
2. \$250 for any one non-described stamp, coin or other individual article, or any one pair, strip, block, series, sheet, cover, frame or card.

We will not pay more than the total Amount of Insurance shown for all losses from one occurrence.

Silverware: We insure silverware including gold ware and pewter ware, but we do not insure pens, pencils, flasks, pipes and jewelry.

Our Payment Methods

The amount we pay for loss to your Scheduled Personal Property will be the lowest of:

1. The **replacement cost** of the damaged portion of the article.
2. The amount actually spent for necessary repair or replacement of the damaged portion of the article.
3. The cost to replace the article with similar kind, quality and value.
4. The Amount of Insurance shown for the article.

No change

Changed from actual cash value to replacement cost

Articles Subject to Limited Coverage

Golfer's equipment: Insurance is provided for golf clubs, golf clothing and golf equipment. We insure golf clothing while contained in any locker situated in a clubhouse or other building used in connection with golf. Watches, jewelry, and golf balls are excluded from coverage.

Non-described stamps and coins: We will pay the lesser of:

1. The **actual cash value** of the property at the time of loss.
2. \$250 for any one non-described stamp, coin or other individual article, or any one pair, strip, block, series, sheet, cover, frame or card.

We will not pay more than the total Amount of Insurance shown for all losses from one occurrence.

Silverware: We insure silverware including gold ware and pewter ware, but we do not insure pens, pencils, flasks, pipes and jewelry.

Our Payment Methods

The amount we pay for loss to your Scheduled Personal Property will be the lowest of:

1. The **actual cash value** immediately before loss.
2. The cost to repair the article.
3. The cost to replace the article with similar kind, quality and value.
4. The Amount of Insurance shown for the article.

FORM COMPARISON

NEW

OLD

Scheduled Personal Property Coverage –
Form 3412 01/07

Scheduled Personal Property Coverage –
Form 2989 03/97

Narrative

Our Payment Method for Specific Types of Loss

PAIRS AND SETS

The amount we pay for loss to Pairs and Sets will be the lowest of:

- 1. The cost to repair or replace any part to restore the pair or set to its value before the loss.
- 2. The difference between **actual cash value** of the pair or set before and after the loss.
- 3. The Amount of Insurance shown for the pair or set.

We cannot guarantee the availability of parts or replacements. We will not be obligated for the cost of repairing or replacing the entire pair, set or series of objects or pieces when a part is lost or damaged.

In the event any total loss occurs and we pay you the Amount of Insurance shown, you may keep the article or remaining article or articles of the pair or set, and our payment will be reduced by the **actual cash value** of the articles you keep.

Exclusions

We do not insure 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.

- 1. Loss intentionally caused by any of you or performed at any of your direction.

No change

No change

Our Payment Method for Specific Types of Loss

PAIRS AND SETS

The amount we pay for loss to Pairs and Sets will be the lowest of:

- 1. The cost to repair or replace any part to restore the pair or set to its value before the loss.
- 2. The difference between **actual cash value** of the pair or set before and after the loss.
- 3. The Amount of Insurance shown for the pair or set.

We cannot guarantee the availability of parts or replacements. We will not be obligated for the cost of repairing or replacing the entire pair, set or series of objects or pieces when a part is lost or damaged.

In the event any total loss occurs and we pay you the Amount of Insurance shown, you may keep the article or remaining article or articles of the pair or set, and our payment will be reduced by the **actual cash value** of the articles you keep.

Exclusions

We do not insure loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently to the loss.

- 13. Loss caused intentionally by any of you to your scheduled personal property.

FORM COMPARISON

NEW

OLD

Scheduled Personal Property Coverage –
Form 3412 01/07

Narrative

Scheduled Personal Property Coverage –
Form 2989 03/97

2. Loss caused by war, whether declared or undeclared, including civil war, insurrection, rebellion or revolution.

No change

1. Loss due to war, whether declared or undeclared, including civil war, insurrection, rebellion or revolution.

3. Loss caused by:

- a. Flood water, surface water, waves, tidal water, storm surge, tsunami or overflow of a body of water from any source including spray from any of these whether or not driven by wind.
- b. Water or sewage which backs up through sewers or drains or that which overflows from a sump.

This exclusion applies whether or not there was widespread damage and whether or not the loss was caused by a human activity or an act of nature.

This exclusion does not apply to ensuing loss caused by fire or explosion.

Added same language as base policy to reinforce original intent

15. Loss due to flood water, surface water, waves, tidal water or overflow of a body of water from any source including spray, whether or not driven by wind.

4. Loss caused by:

- a. Wear and tear, marring, scratching, deterioration, rust or other corrosion.
- b. Inherent vice, latent defect, mechanical breakdown, manufactured defect or mechanical failure.
- c. Mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind.
- d. Insects or domestic household animals or pets.

This exclusion does not apply to:

- a. Ensnuing loss caused by fire or explosion.
- b. Water damage caused by water that suddenly escapes from a plumbing, heating, fire protection sprinkler or air conditioning system or domestic appliance because of any of the above.

Added language to reinforce original intent

3. Loss due and confined to wear and tear, neglect, insects, non-domestic animals including rodents, inherent vice or gradual deterioration.

FORM COMPARISON

NEW

OLD

Scheduled Personal Property Coverage --
Form 3412 01/07

Narrative

Scheduled Personal Property Coverage --
Form 2989 03/97

- 5. Loss to scheduled personal property while used in your **business**.

- 6. Loss caused by breakage of eyeglasses, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles unless the breakage is caused by or results from:
 - a. Fire, lightning, windstorm or hail.
 - b. Explosion, riot or civil commotion.
 - c. Aircraft, vehicles or vandalism and malicious mischief.
 - d. Theft or attempted theft.
 - e. Collision, derailment or overturn of a conveyance.
 - f. The breakage is caused by earthquake and Earthquake Coverage is shown on the Declarations Page.

This exclusion does not apply to jewelry, watches, bronzes, cameras and photographic lenses.

- 7. Loss caused by nuclear reaction, explosion, radiation or radioactive contamination.
This exclusion does not apply to ensuing loss caused by fire or explosion.

Narrowed exclusion by limiting to "while used in your business"

No change in intent

Added "ensuing loss caused by fire or explosion"

- 12. Loss to articles used in your **business**.

- 7. Loss by breakage to statuary, marble, glassware, porcelains, bric-a-brac, art glass windows and similar fragile articles unless:
 - a. The breakage is caused by any of the following perils: fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, malicious damage or collision, derailment or overturn of a conveyance; or
 - b. The breakage is caused by earthquake and Earthquake Coverage is shown on the Declarations Page.

- 2. Loss caused by nuclear reaction, radiation or radioactive contamination. But we do insure direct loss by fire resulting from nuclear hazard.

FORM COMPARISON

NEW

OLD

Scheduled Personal Property Coverage –
Form 3412 01/07

Scheduled Personal Property Coverage –
Form 2989 03/97

Narrative

No change



8. Loss caused by earthquake unless Earthquake Coverage is shown on the Declarations Page.

16. Loss caused by earthquake unless Earthquake Coverage is shown on the Declarations Page.

9. Loss to fine arts caused by any attempt of restoration, retouching or repair.

4. Loss to fine arts caused by any attempt of restoration, retouching or repair.

10. Loss to fine arts that have not been packed and unpacked by competent packers.

5. Loss to fine arts that have not been packed and unpacked by competent packers.

11. Loss to fine arts while on public display.

6. Loss to fine arts while on public display.

12. Loss due to mysterious disappearance of non-described individual stamps or coins which are part of a pair or set.

8. Loss due to mysterious disappearance of non-described individual stamps or coins which are part of a pair or set.

13. Loss to stamps or coins while being sent from one place to another.

9. Loss to stamps or coins being sent from one place to another.

FORM COMPARISON

NEW

OLD

Scheduled Personal Property Coverage –
Form 3412 01/07

Narrative

Scheduled Personal Property Coverage –
Form 2989 03/97

14. Loss to stamps or coins due to theft from any unattended motor vehicle.

No change

10. Loss to stamps or coins due to theft from any unattended motor vehicle.

15. Loss to stamps or coins due to fading, creasing, denting, scratching, tearing, thinning, transfer of colors, inherent defect, dampness, extremes of temperature, gradual depreciation or damage sustained from handling or while being actually worked upon.

No change

11. Loss to stamps or coins due to fading, creasing, denting, scratching, tearing, thinning, transfer of colors, inherent defect, dampness, extremes of temperature, gradual depreciation or damage sustained from handling or while being actually worked upon.

Deleted – no replacement

14. Loss to musical instruments that you play for pay.

Additional Conditions for Scheduled Personal Property Coverage

1. If the Scheduled Personal Property List indicates that an item of property has been rated as "in-vault," you agree to keep the items in a safe deposit box located in a bank vault, trust or safe deposit company. If you notify us, we may grant permission to remove the scheduled personal property from the vault, trust or safe deposit company for up to 10 days.
2. We insure the described property, other than fine arts, wherever it may be located. We insure described fine arts only while within the United States and Canada.
3. If we pay for a total loss to any listed article, pair, set or collection insured by this endorsement, the Amount of Insurance is reduced for that article, pair, set or collection by the amount of our payment.

No change

Additional Conditions for Scheduled Personal Property Coverage

1. If the Scheduled Personal Property List indicates that an item of property has been rated as "in-vault," you agree to keep the items in a safe deposit box located in a bank vault, trust or safe deposit company. If you notify us, we may grant permission to remove the scheduled personal property from the vault, trust or safe deposit company for up to 10 days.
2. We insure the described property, other than fine arts, wherever it may be located. We insure described fine arts only while within the United States and Canada.
3. If we pay for a total loss to any listed article, pair, set or collection insured by this endorsement, the Amount of Insurance is reduced for that article, pair, set or collection by the amount of our payment.

NEW

OLD

EXCESS DWELLING COVERAGE
4258 06/08

EXCESS DWELLING COVERAGE
6933 07/98

SECTION I - Our Payment Methods

Our Payment Methods for Coverage A - Dwelling and Coverage B - Other Structures are changed to read:

Coverage A - Dwelling

Total Loss
Agreed Loss Payment Method

A total loss occurs when your dwelling is damaged beyond reasonable repair.

When a total loss occurs, your loss will be equal to the Amount of Insurance shown on the Declarations Page.

If you do not replace your dwelling on the same premises, we will pay the Amount of Insurance shown on the Declarations Page.

If you do replace your dwelling on the same premises with a new dwelling of like kind and quality within 365 days of the loss, and if the cost to replace your dwelling exceeds the Amount of Insurance we have already paid to you, we will pay the additional amount that you actually spend for the replacement. But we will not pay any more than an additional 25% of the Amount of Insurance shown on the Declarations Page.

Partial Loss
Replacement Cost Payment Method

When a partial loss occurs, the amount we pay for loss to your dwelling will be the lowest of:

1. The replacement cost of the damaged portion of your dwelling.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

If the cost to repair or replace your damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.

We may make a cash settlement or repair your dwelling with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been restored or repaired.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365

days after the loss for any additional cost you incur in replacing your damaged dwelling. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your dwelling will be the lowest of:

1. The actual cash value of the damaged portion of your dwelling at the time of the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement or repair or replace your dwelling with a dwelling of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been replaced, restored or repaired.

The damage to your dwelling will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Coverage B - Other Structures
Total and Partial Loss
Replacement Cost Payment Method

The amount we pay for loss to your other structure will be the lowest of:

1. The replacement cost of the damaged portion of your other structure.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your other structure.
3. The Amount of Insurance shown on the Declarations Page.

If the replacement cost for your damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your damaged property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

SECTION I - Our Payment Methods

Our Payment Methods for Coverage A - Dwelling and Coverage B - Other Structures are changed to read:

Coverage A - Dwelling
Total Loss Payment Method

A total loss occurs when your dwelling is damaged beyond reasonable repair.

When a total loss occurs, your loss will be equal to the Amount of Insurance.

If you do not replace your dwelling on the same premises, we will pay the Amount of Insurance shown on the Declarations Page.

If you do replace your dwelling on the same premises with a new mobile home dwelling of like kind and quality within 180 days of the loss, and if the cost to replace your dwelling exceeds the Amount of Insurance we have already paid to you, we will pay the additional amount that you actually spend for the replacement. But we will not pay any more than an additional 25% of the Amount of Insurance.

Partial Loss Payment Method
Replacement Cost Payment Method

The amount we pay for loss to your dwelling will be the lowest of:

1. The replacement cost of the damage to your dwelling.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your dwelling.
3. The Amount of Insurance shown on the Declarations Page for your dwelling.

If the cost to repair or replace the damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.

We may make a cash settlement or repair or replace the property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

~~The damage to your property will reduce the Amount of Insurance available during the policy period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.~~

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 180 days after the loss for any additional cost you incur in replacing the damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your dwelling will be the lowest of:

1. The actual cash value of the damaged part of your dwelling at the time of the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page for your dwelling.

We may make a cash settlement and take all or part of the property at its appraised or agreed upon value, or repair or replace the property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

The damage to your property will reduce the Amount of Insurance available by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

~~**Coverage B - Other Structures Payment Method**
Total and Partial Loss Payment Method
Replacement Cost Payment Method~~

~~The amount we pay for loss to your other structure will be the lowest of:~~

1. The replacement cost of the damage to your other structure.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your other structure.
3. The Amount of Insurance shown on the Declarations Page for your other structures.

~~If the cost to repair or replace the damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.~~

~~We may make a cash settlement or repair or replace the property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.~~

~~The damage to your property will reduce the Amount of Insurance available during the policy period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.~~

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 180 days after the loss for any additional cost you incur in replacing the damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your other structure will be the lowest of:

NEW

OLD

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365 days after the loss for any additional cost you incur in replacing your damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your other structure will be the lowest of:

1. The **actual cash value** of the damaged part of your other structure at the time of the loss.
2. The amount required to repair or replace your damaged other structure.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value, or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

All others provisions of your policy apply.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

The damage to your property will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

DEFINITIONS

Replacement cost means:

The cost to repair or replace property, without deduction for depreciation, with new property of like kind and quality using materials and construction methods which are generally used and are available at the time of the loss.

But replacement cost does not mean loss, damage or increased loss caused by enforcement of any governmental requirement regulating construction, repair, occupancy, renovation, remodeling or demolition.

1. The **actual cash value** of the damaged part of your other structure at the time of the loss.
2. The amount required to repair or replace your other structure.
3. The Amount of Insurance shown on the Declarations ~~Page for your other structures.~~

We may make a cash settlement and take all or part of ~~the~~ property at its appraised or agreed upon value, or repair or replace the property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

The damage to your property will reduce the Amount of Insurance available by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

All others provisions of your policy apply.

DEFINITIONS

Replacement cost means the cost to repair or replace property, without deduction for depreciation, with new property of like kind and quality.

~~strikethrough = deleted~~
underlined = added

FORM COMPARISON

EXHIBIT 4

NEW

OLD

Coverage C – Personal Property Increase in Special Amount of Insurance for Tools – Form 4041 01/07

Narrative

Coverage C – Personal Property Increase in Special Amount of Insurance for Tools – Form 5717 05/98

Coverage C - Personal Property Special Amount of Insurance for personal property group 10. Tools is increased to:

10. \$10,000 Tools.

Currently coverage is limited to the peril of theft. We have broadened to provide coverage for all perils.

Coverage C - Personal Property Special Amount of Insurance for group 9. Tools is increased to:

9. \$10,000 Tools, for loss by theft, including mysterious disappearance.

FORM COMPARISON

EXHIBIT 5

NEW

OLD

Additional Residence – Owner-Occupied –
Form 4043 01/07

Narrative

Additional Residence – Owner-Occupied –
Form 2987 09/96

Definitions

The definition of **premises** for purposes of SECTION II -
Your Liability Coverages is changed to include:

- 6. Your additional owner-occupied premises described
on this endorsement.

ADDRESS

All other provisions of your policy apply.

No change in intent

Definitions

The definition of **premises** under SECTION II - Your
Liability Coverages is changed to include:

- g. Your additional owner-occupied premises.

All other provisions of your policy apply.

FORM COMPARISON

EXHIBIT 6

NEW

OLD

30-Day Trip Coverage –
Form 4044 01/07

Narrative

30-Day Trip Coverage –
Form 3052 03/97

SECTION I - Your Property Coverages

Coverage A - Dwelling

Coverage C - Personal Property

Section I - Coverage A and C are amended to provide that we insure risk of direct, sudden and accidental physical loss to your dwelling and personal property in your dwelling during a **move**.

But we do not insure loss to wheels, tires, axles and running gear caused by collision.

No change in intent

SECTION I - Your Property Coverages

Coverage A - Dwelling

Coverage C - Personal Property

We insure risk of direct, sudden and accidental physical loss to your dwelling and personal property in your dwelling while they are being moved.

But we do not insure loss to wheels, tires, axles and running gear caused by collision.

SECTION I - Exclusions

Exclusion 16. does not apply when trip coverage is in effect.

SECTION I - Exclusions

SECTION I - Exclusions 16. does not apply when trip coverage is in effect.

Coverage begins at 12:01 a.m. on _____
and ends thirty consecutive days thereafter at 12:01 a.m.

Premium

The premium for 30-Day Trip Coverage is not refundable.

Coverage begins at 12:01 a.m. on _____
and ends thirty consecutive days thereafter at 12:01 a.m.

Premium

The premium for 30-Day Trip Coverage is not refundable.

All other provisions of your policy apply.

All other provisions of your policy apply.

FORM COMPARISON

EXHIBIT 7

NEW

OLD

Additional Insured – Nonresident –
Form 4045 01/07

Additional Insured – Nonresident –
Form 3054 11/96

Narrative

Name and Address of Person or Organization

Name and Address of Person or Organization

Will print address to reinforce original intent

Interest:

Insuring Agreement

The third paragraph is changed to include:

You, your and yours also mean the person or organization named on this Additional Insured - Nonresident endorsement with respect to:

1. Coverage A - Dwelling and Coverage B - Other Structures.
2. Coverage E - Personal Liability and Coverage F - Medical Payments To Others Coverages, if provided by the policy, but only with respect to the ownership, maintenance or use of your **premises** shown on the Declarations Page.

Personal Liability does not apply to **bodily injury** to any employee arising out of or in the employee's employment by the additional insured.

All other provisions of your policy apply.

Interest:

Insuring Agreement

The second paragraph is changed to include:

You, your and yours also means the person or organization named on this Additional Insured - Nonresident endorsement.

Your policy includes the person or organization named with respect to:

1. Coverage A - Dwelling and Coverage B - Other Structures.
2. Coverage E - Personal Liability and Coverage F - Medical Payments To Others Coverages, if provided by the policy, but only with respect to the ownership, maintenance or use of your **premises** shown on the Declarations Page.

Personal Liability does not apply to **bodily injury** to any employee arising out of or in the employee's employment by the additional insured.

All other provisions of your policy apply.

FORM COMPARISON

EXHIBIT 8

NEW

OLD

Unrelated Named Insured –
Form 4047 01/07

Narrative

Unrelated Named Insured –
Form 3421 02/96

insuring Agreement

The third paragraph is changed to include:
You, your and yours also mean the additional person named on the Declarations Page while that person is a full-time resident of your dwelling.

No change in intent.

Insuring Agreement

The second paragraph is changed to include:
You, your and yours also means the additional person named on the Declarations Page while that person is a full-time resident of your dwelling.

All other provisions of your policy apply.

All other provisions of your policy apply.

FORM COMPARISON

NEW

OLD

Earthquake –
Form 4048 01/07

Narrative

Earthquake –
Form 3057 02/97

SECTION I - Your Property Coverages

We insure risk of direct, sudden and accidental physical loss to insured property caused by earthquake. If more than one earthquake shock occurs during a 72-hour period, all such shocks will constitute one earthquake.

We do not insure loss due directly or indirectly to:

1. Flood water, surface water, waves, tidal water, storm surge, tsunami or overflow of a body of water from any source including spray from any of these whether or not driven by wind.
2. Water or sewage which backs up through sewers or drains or that which overflows from a sump.
3. Water below the surface of the ground regardless of its source. This includes water which exerts pressure on or flows, seeps or leaks through any part of the dwelling or other structures, foundation, sidewalk, driveway or swimming pool.

This exception applies whether or not there was widespread damage and whether or not the loss was caused by a human activity, earthquake or an act of nature.

We do insure loss caused by fire or explosion.

Added language to reinforce original intent and to mirror policy

SECTION I - Your Property Coverages

We insure direct loss to insured property caused by earthquake. If more than one earthquake shock occurs during a 72-hour period, all such shocks will constitute one earthquake.

We do not insure loss due directly or indirectly by any flood or tidal wave caused by earthquake.

FORM COMPARISON

NEW

OLD

Earthquake –
Form 4048 01/07

Narrative

Earthquake –
Form 3057 02/97

Declarations Page

SECTION I - Deductible

Coverage A - Dwelling

Coverage B - Other Structures

Coverage C - Personal Property

Each loss under Coverage A includes a total loss of the dwelling and Coverage B and Coverage C will be subject to a deductible which is the greater of:

1. 10% of the Amount of Insurance for the coverage shown on the Declarations Page; or
2. \$1,000.

The deductible for each coverage will be applied to the lesser of:

1. The loss for each coverage; or
2. The Amount of Insurance for each coverage.

An example of your earthquake deductible

When you buy earthquake coverage, your deductible for earthquake damage is 10% of each coverage, with a minimum \$1,000 deductible per coverage. We apply the deductible separately to your dwelling, personal property and other structures. The following chart gives an example of how the earthquake deductible would apply.

This is just an example:

Dwelling insured at \$20,000	\$2,000 deductible
Personal property insured at \$10,000	\$1,000 deductible
Other structures insured at \$2,000	<u>\$1,000</u> deductible*
TOTAL DEDUCTIBLE	\$4,000 deductible

* A minimum deductible of \$1,000 is applied.

No change

Declarations Page

SECTION I - Deductible

Coverage A - Dwelling

Coverage B - Other Structures

Coverage C - Personal Property

Each loss will be subject to a deductible which is the greater of:

1. 10% of the Amount of Insurance for the coverage shown on the Declarations Page; or
2. \$1,000.

The deductible for each coverage will be applied to the lesser of:

1. The loss for each coverage; or
2. The Amount of Insurance for each coverage.

An example of your earthquake deductible

When you buy earthquake coverage, your deductible when there is earthquake damage is 10% of each coverage, with a minimum \$1,000 deductible per coverage. We apply the deductible separately to your dwelling, personal property and other structures. The following chart gives an example of how the earthquake deductible would apply.

This is just an example:

Mobile home insured at \$20,000	\$2,000 deductible
Personal property insured at \$10,000	\$1,000 deductible
Other structures insured at \$2,000	<u>\$1,000</u> deductible*
TOTAL DEDUCTIBLE	\$4,000 deductible

* A minimum deductible of \$1,000 is applied.

FORM COMPARISON

NEW

OLD

Earthquake –
Form 4048 01/07

Narrative

Earthquake –
Form 3057 02/97

SECTION I - Exclusions

The following exclusion is deleted:

17. Loss caused by earthquake, including landshock, waves or tremors before, during, or after volcanic eruptions.

All other provisions of your policy apply.

No change

SECTION I - Exclusions

The following exclusion is deleted:

3. Loss caused by earthquake, including landshock, waves or tremors before, during, or after volcanic eruptions.

All other provisions of your policy apply.

NEW

OLD

Replacement Cost Personal Property –
Form 4055 01/07

Replacement Cost Personal Property –
Form 5640 06/99

Narrative

No change in intent

SECTION I - Our Payment Methods

Our Payment Methods for Coverage C - Personal Property are changed to read:

Coverage C - Personal Property

Replacement Cost Payment Method

The amount we pay for loss to your personal property will be the lowest of:

1. The **replacement cost** of the damaged portion of your personal property.
2. The amount actually spent for necessary repair or replacement of the damaged portion of your personal property.
3. The Amount of Insurance shown on the Declarations Page for your damaged personal property.
4. Any applicable Special Amounts of Insurance.

This Replacement Cost Payment Method does not apply to:

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
2. Memorabilia, souvenirs, trading cards, collectors items and similar articles whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

Insured losses for the above listed items will be settled on an Actual Cash Value Payment Method.

If the **replacement cost** for your damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.

SECTION I - Our Payment Methods

Our Payment Methods for Coverage C - Personal Property are changed to read:

Coverage C - Personal Property

Replacement Cost Payment Method

We will pay no more than the lowest of:

1. **Replacement cost** of your Personal Property.
2. The amount required to repair your Personal Property at the time of loss.
3. The Amount of Insurance shown on the Declarations Page that applies to your Personal Property.
4. Any applicable Special Amounts of Insurance on Certain Property.

This Replacement Cost Payment Method does not apply to:

- i. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
- ii. Memorabilia, souvenirs, trading cards, collectors items and similar articles whose age or history contribute to their value.
- iii. Articles not maintained in good or workable condition.
- iv. Articles that are outdated or obsolete and are stored or not being used.
- v. Scheduled Personal Property Coverage.

Insured losses for the above listed items will be settled on an Actual Cash Value Payment Method.

If the **replacement cost** for the damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.

FORM COMPARISON

NEW

OLD

Replacement Cost Personal Property –
Form 4055 01/07

Narrative

Replacement Cost Personal Property –
Form 5640 06/99

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your damaged property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

Added language

Deleted – no replacement

No change in intent

The damage to your property will reduce the Amount of Insurance available during the policy period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365 days after the loss for any additional cost you incur in replacing the damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your personal property will be the lowest of:

1. The **actual cash value** of the lost or damaged portion of your personal property at the time of the loss.
2. The amount required to repair or replace your lost or damaged personal property.
3. The Amount of Insurance shown on the Declarations Page for your damaged personal property.
4. Any applicable Special Amount of Insurance on certain property.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 180 days after the loss for any additional cost you incur in replacing the damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your property will be the lowest of:

1. **Actual cash value** of your Personal Property at the time of the loss.
2. The amount required to repair or replace your Personal Property.
3. The Amount of Insurance shown on the Declarations Page for your Personal Property.

FORM COMPARISON

NEW

OLD

Replacement Cost Personal Property –
Form 4055 01/07

Replacement Cost Personal Property –
Form 5640 06/99

Narrative

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

Added language

The damage to your personal property will reduce the Amount of Insurance available during the policy period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

No change

The damage to your property will reduce the Amount of Insurance available during the policy period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Replacement Cost means the cost to repair or replace property, without deduction for depreciation, with new property of like kind and quality.

No change

Replacement Cost means the cost to repair or replace property, without deduction for depreciation, with new property of like kind and quality.

All other provisions of your policy apply.

All other provisions of your policy apply.

DECLARATIONS PAGE - FORM 82999 01/07

The Declarations Page will be prepared displaying only that information which is appropriate to the risk being insured.

We have enclosed an example which indicates where the language will be printed.

- 1 Will display manufactured park/community name, if applicable.
- 2 Lienholder, address and loan number will be displayed in these areas.
- 3 One of the following options are printed depending on usage:
 - A. Used when agent controls and solicits renewals:

THIS IS YOUR
RENEWAL
DECLARATIONS PAGE.
 - B. Used for all other renewals:

IF PAYMENT IS
RECEIVED BY
XX/XX/XX THIS WILL BE
YOUR RENEWAL
DECLARATIONS PAGE.
 - C. The following message is printed for a policy change:

YOUR POLICY
CHANGED EFFECTIVE
XX/XX/XX. THIS
REPLACES ANY PRIOR
DECLARATIONS PAGE.
- 4 Prints the coverages and Amount of Insurance/Limit of Liability selected by the insured.

Exhibit 11 (continued)

- 5 The following message is printed when coverage is provided for Section I and Section II Coverages:

TOTAL SECTION I AND II COVERAGES PREMIUM

The following message is printed when coverage is provided for Section I Coverages only:

TOTAL SECTION I COVERAGES PREMIUM

- 6 The following message is printed when an additional premium is due for Section I Coverages:

TOTAL SECTION I COVERAGES ADDITIONAL PREMIUM

The following message is printed when an additional premium is due for Section I and Section II Coverages:

TOTAL SECTION I AND II COVERAGES ADDITIONAL PREMIUM

The following message is printed when a return premium is due for Section I Coverages:

TOTAL SECTION I COVERAGES RETURN PREMIUM

The following message is printed when a return premium is due for Section I and Section II Coverages:

TOTAL SECTION I AND II COVERAGES RETURN PREMIUM

- 7 Forms and endorsements will be listed in this area.

- 8 The amounts of Additional Premium or Return Premium will be printed in these areas.

- 9 Other charges, such as taxes, surcharges, etc., will be printed in this area, if applicable.

- 10 The following message is printed when additional premium and other charges are due resulting from a change:

TOTAL ADDITIONAL PREMIUM AND OTHER CHARGES
RESULTING FROM THIS CHANGE

The following message is printed when return premium and other charges are due resulting from a change:

TOTAL RETURN PREMIUM AND OTHER CHARGES
RESULTING FROM THIS CHANGE

Exhibit 11 (continued)

- 11 This areas will list the premium modifiers (discounts) that apply to the policy.
- 12 This area is reserved for only State Specific Messages, if applicable; i.e..."Earthquake Coverage not included," or "Windstorm Deductible," etc.
- 13 This will only be displayed in those states that require countersignatures.
- 14 This area will be used to describe the reasons for a change in the policy. Here are some of the examples of reasons for change we will be using:
- COVERAGE ADDED
 - PRIMARY MAILING ADDRESS
 - ALTERNATE MAILING ADDRESS
 - MAILING ADDRESS PHONE NO.
 - ADDITIONAL INTEREST CHANGED
 - UNIT CHARACTERISTICS
 - UNIT LOCATION INFORMATION

If there are multiple reasons for change and they do not fit, an additional Declarations Page will be generated to include these additional reasons. This page will only display the reasons and the following at the bottom of the page:

- Form 82999 01/07
- INSURED'S COPY
- Processing date, i.e...06/01/97

DECLARATIONS PAGE

YOU AS NAMED INSURED AND YOUR ADDRESS:

POLICY INFORMATION	Policy Period: From	To	12:01 A.M. STANDARD TIME
Policy Number:	- -	Renewal Of:	

DWELLING LOCATION	①		
Address:	In City Limits:		
	County:		

DWELLING INFORMATION	Width:	Length:	Serial Number:
Model Year:	Manufacturer/Model:		

RATING INFORMATION	Use:	Customer Age Group:	
Approved Park:	Auxiliary Heating Device:	Tied Down:	Age Of Dwelling: Years

YOUR POLICY IS SERVICED BY:

TELEPHONE:

Agency Code:

②

②

③

COVERAGES: This policy provides only the coverages as shown below and your additional coverages described in the policy.

SECTION I YOUR PROPERTY COVERAGES **AMOUNT OF INSURANCE***

④

*REFER TO SECTION I "OUR PAYMENT METHODS" TO SEE HOW THESE AMOUNTS WILL BE APPLIED

SECTION II YOUR LIABILITY COVERAGES **LIMIT OF LIABILITY**

④

⑤ **TOTAL SECTION I AND II COVERAGES PREMIUM**
TOTAL SECTION I COVERAGES PREMIUM

TOTAL SECTION I COVERAGES ADDITIONAL PREMIUM
TOTAL SECTION I COVERAGES RETURN PREMIUM ⑥
TOTAL SECTION I AND II COVERAGES ADDITIONAL PREMIUM
TOTAL SECTION I AND II COVERAGES RETURN PREMIUM

SECTION I DEDUCTIBLE

SECTION I LOSSES OR AMOUNTS OF INSURANCE ARE SUBJECT TO A DEDUCTIBLE OF \$ UNLESS STATED OTHERWISE IN YOUR POLICY AND ENDORSEMENTS.

FORMS AND ENDORSEMENTS **ADDL/RETURN** **POLICY PREMIUM**

⑦

⑧

TOTAL FORMS AND ENDORSEMENTS PREMIUM

OTHER CHARGES **ADDL/RETURN** **CHARGES**

⑨

⑧

TOTAL POLICY PREMIUM AND OTHER CHARGES

TOTAL ADDITIONAL PREMIUM AND OTHER CHARGES RESULTING FROM THIS CHANGE		⑩
TOTAL RETURN PREMIUM AND OTHER CHARGES RESULTING FROM THIS CHANGE		
TOTAL POLICY PREMIUM AND OTHER CHARGES		

SAVINGS INCLUDED IN YOUR POLICY PREMIUM

⑪

STATE SPECIFIC MESSAGES

⑫

Countersigned

⑬

at

by

REASONS FOR THIS CHANGE

⑭

FORM COMPARISON

NEW

OLD

Flood Coverage –
Form 4046 10/07

Narrative

Flood Coverage –
Form 2434 03/97

SECTION I - Your Property Coverages

We insure direct loss to insured property caused by flood water, surface water, waves, tidal water, storm surge, tsunami, or overflow of a body of water from any source including spray, from any of these whether or not driven by wind.

Added "storm surge and tsunami,"
to reinforce intent

SECTION I - Your Property Coverages

We insure direct loss to insured property caused by flood water, surface water, waves, tidal water, or overflow of a body of water from any source including spray, whether or not driven by wind.

SECTION I - Exclusions

The following exclusion is deleted:

- 6.a. Flood water, surface water, waves, tidal water, storm surge, tsunami, or overflow of a body of water from any source including spray, from any of these whether or not driven by wind.

Added "storm surge and tsunami,"
to reinforce intent

SECTION I - Exclusions

The following exclusion is deleted:

- 2.a. Flood water, surface water, waves, tidal water or overflow of a body of water from any source including spray, whether or not driven by wind.

All other provisions of your policy apply.

All other provisions of your policy apply.

NEW

**EXCESS DWELLING COVERAGE
(Except Non-Structural Hail Losses)**
2469 07/08

SECTION I - Our Payment Methods

Our Payment Methods for Coverage A - Dwelling and Coverage B - Other Structures are changed to read:

Coverage A - Dwelling

Total Loss

Agreed Loss Payment Method

A total loss occurs when your dwelling is damaged beyond reasonable repair.

When a total loss occurs, your loss will be equal to the Amount of Insurance shown on the Declarations Page.

If you do not replace your dwelling on the same premises, we will pay the Amount of Insurance shown on the Declarations Page.

If you do replace your dwelling on the same premises with a new dwelling of like kind and quality within 365 days of the loss, and if the cost to replace your dwelling exceeds the Amount of Insurance we have already paid to you, we will pay the additional amount that you actually spend for the replacement. But we will not pay any more than an additional 25% of the Amount of Insurance shown on the Declarations Page.

**Partial Loss
Replacement Cost Payment Method**

When a partial loss occurs, the amount we pay for loss to your dwelling will be the lowest of:

1. The replacement cost of the damaged portion of your dwelling.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

If the cost to repair or replace your damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.

We may make a cash settlement or repair your dwelling with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been restored or repaired.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365

days after the loss for any additional cost you incur in replacing your damaged dwelling. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your dwelling will be the lowest of:

1. The actual cash value of the damaged portion of your dwelling at the time of the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement or repair or replace your dwelling with a dwelling of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been replaced, restored or repaired.

The damage to your dwelling will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Partial Loss - Non-structural Hail

Hail often dents the exterior surface of a dwelling. Since there is not structural damage, this will in no way affect the utility of the dwelling. When this type of loss occurs, the amount we pay will be the lowest of:

1. The difference between the actual cash value of your dwelling immediately before the loss and its actual cash value immediately after the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page for your dwelling.

**Coverage B - Other Structures
Total and Partial Loss
Replacement Cost Payment Method**

The amount we pay for loss to your other structure will be the lowest of:

1. The replacement cost of the damaged portion of your other structure.

OLD

**EXCESS DWELLING COVERAGE
(EXCEPT FOR NON-STRUCTURAL HAIL LOSSES)**
-6934-07/98-

SECTION I - Our Payment Methods

Our Payment Methods for Coverage A - Dwelling and Coverage B - Other Structures are changed to read:

Coverage A - Dwelling

Total Loss Payment Method

A total loss occurs when your dwelling is damaged beyond reasonable repair.

When a total loss occurs, your loss will be equal to the Amount of Insurance.

If you do not replace your dwelling on the same premises, we will pay the Amount of Insurance shown on the Declarations Page.

If you do replace your dwelling on the same premises with a new mobile-home dwelling of like kind and quality within 180 days of the loss, and if the cost to replace your dwelling exceeds the Amount of Insurance we have already paid to you, we will pay the additional amount that you actually spend for the replacement. But we will not pay any more than an additional 25% of the Amount of Insurance.

**Partial Loss Payment Method
Replacement Cost Payment Method**

The amount we pay for loss to your dwelling, except non-structural hail losses, will be the lowest of:

1. The replacement cost of the damage to your dwelling.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your dwelling.
3. The Amount of Insurance shown on the Declarations Page for your dwelling.

If the cost to repair or replace the damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.

We may make a cash settlement or repair or replace the property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

~~The damage to your property will reduce the Amount of Insurance available during the policy period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.~~

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 180 days after the loss for any additional cost you incur in replacing the damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your dwelling will be the lowest of:

1. The actual cash value of the damaged part of your dwelling at the time of the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page for your dwelling.

We may make a cash settlement and take all or part of the property at its appraised or agreed-upon value, or repair or replace the property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

The damage to your property will reduce the Amount of Insurance available by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

**Coverage B - Other Structures
Total and Partial Loss Payment Method
Replacement Cost Payment Method**

The amount we pay for loss to your other structure, except non-structural hail losses, will be the lowest of:

1. The replacement cost of the damage to your other structure.
2. The amount actually spent for necessary repair or replacement of the damaged portion to your other structure.
3. The Amount of Insurance shown on the Declarations Page for your other structures.

If the cost to repair or replace the damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.

We may make a cash settlement or repair or replace the property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

~~The damage to your property will reduce the Amount of Insurance available during the policy period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.~~

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 180 days after the loss for any additional cost you incur in replacing the damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your other structure will be the lowest of:

NEW

OLD

2. The amount actually spent for necessary repair or replacement of the damaged portion to your other structure.
3. The Amount of Insurance shown on the Declarations Page.

If the replacement cost for your damaged property is more than \$2,500, we will pay no more than the actual cash value of that damage until actual repair or replacement is completed.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your damaged property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method. If you do, you may make further claim within 365 days after the loss for any additional cost you incur in replacing your damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to your other structure will be the lowest of:

1. The actual cash value of the damaged part of your other structure at the time of the loss.
2. The amount required to repair or replace your damaged other structure.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value, or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

The damage to your property will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Partial Loss - Non-structural Hall

Hall often dents the exterior surface of other structures. Since there is not structural damage, this will in no way affect the utility of the other structures. When this type of loss occurs, the amount we pay will be the lowest of:

1. The difference between the actual cash value of your damaged other structures immediately before the loss and its actual cash value immediately after the loss.
2. The amount required to repair or replace your other structure.
3. The Amount of Insurance shown on the Declarations Page for your other structure.

DEFINITIONS

Replacement cost means:

The cost to repair or replace property, without deduction for depreciation, with new property of like kind and quality using materials and construction methods which are generally used and are available at the time of the loss.

But replacement cost does not mean loss, damage or increased loss caused by enforcement of any governmental requirement regulating construction, repair, occupancy, renovation, remodeling or demolition.

1. The actual cash value of the damaged part of your other structure at the time of the loss.
2. The amount required to repair or replace your other structure.
3. The Amount of Insurance shown on the Declarations Page ~~for your other structures.~~

We may make a cash settlement and take all or part of ~~the~~ property at its appraised or agreed upon value, or repair or replace the property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

The damage to your property will reduce the Amount of Insurance available by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

~~Coverage A - Dwelling~~

~~Coverage B - Other Structures~~

Partial Loss - Non-Structural Hall

Hall often dents the exterior surface of ~~a dwelling or other~~ structure. Since there is no structural damage, this will in no way affect the utility of the ~~dwelling or other~~ structure. When this type of loss occurs, the amount we pay will be the lowest of:

~~2 of 2 - 6934-07/08~~

All others provisions of your policy apply.

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

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Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Supporting Document	Table of Contents	08/05/2008	TOC.pdf
No original date	Form	Required Change - Arkansas	08/05/2008	4279_0608.pdf

REQUIRED CHANGE - ARKANSAS
4279 06/08

Policy Conditions

5. Appraisals

The following paragraph is added:

All appraisal procedures are voluntary and nonbinding and will not deprive you of the right to trial by jury on any question of fact arising under this policy.

8. Legal Action Against Us is changed to read:

Legal Action Against Us. You may not bring legal action against us concerning this policy unless you have fully complied with all of the policy terms. If you and we have failed to agree on the amount of the loss, then you may not bring legal action against us until you have submitted and resolved that dispute through appraisal as described in Condition 5. Suit must be brought within five years after the loss occurs.

Arkansas - Important Notice

If fire loss occurs, we are required by state law to furnish relevant information relating to the loss to any state or

federal law enforcement or other agency which has responsibility for investigation of fires if:

- the agency requests the information, or
- after investigating the fire, we have reason to believe it was not of accidental origin.

If we provide information to a fire investigation agency, we will:

- notify you of that action within 90 days; and
- send you a copy of the report upon the commencement of civil action or criminal prosecution.

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All other provisions of your policy apply.

**Foremost® Property and
Casualty Insurance Company**

ARKANSAS

* MANUFACTURED HOME INSURANCE PROGRAM

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