GENERAL POLICY PROVISIONS
AGREEMENT

This policy, subject to all of its ***terms***, provides insurance against loss to property, ~~personal~~ liability insurance and other described coverages during the policy period in return for payment of the required premium. It consists of this Agreement, the Declarations, Supplemental Declarations(if any), the General Policy Provisions, Causes of Loss, Liability Coverage Section, and any endorsements made part of it, including any required state endorsement(s).

Endorsements attached to this policy may require a premium charge for increased or additional coverage. In the event ***you*** select a higher deductible amount or where certain exclusionary or limiting endorsements are added to ***your*** policy, ***you*** may receive a reduction in premium.

It is important that ***you*** read each part of this policy carefully to understand the coverage provided, ***your*** obligations and ***our*** obligations under the policy. Please note that any reference to form ML-20 is amended to read form ML-20F. Each coverage is subject to all policy ***terms*** relating to that coverage including the ***terms*** applicable to the entire policy. **Each principal coverage described in this policy applies only if an amount of insurance or a limit of liability is shown on the Declarations or on a schedule for that coverage.**

The following Table of Contents shows how the policy is organized and will help ***you*** locate particular sections of the policy.

TABLE OF CONTENTS

	Page
Agreement	i
General Policy Provisions	1-~~12~~13
Definitions	1-2
Property Coverages	
Principal Property Coverages	~~2-4~~3-9
Coverage A through D	3-5
Incidental Property Coverages	~~4-5~~ (A-C) 5-6
Coverage E through G	6-8
Incidental Property Coverages (E-G)	8-9
Exclusions That Apply To Property Coverages	~~5-6~~9-10
~~(The causes of loss that apply to property coverages and the liability and medical payments coverages are on separate forms attached to this policy. Refer to the Causes of Loss Section and the Liability Coverage Section.)~~	
How Much ***We*** Pay for Loss or Claim	~~6-7~~10-12
Payment of Loss or Claim	~~7-8~~12
What ***You*** Must Do in Case of Loss	~~8-9~~12-13
~~Policy Conditions~~	
~~Conditions Applicable to All Coverages~~	~~9-11~~
~~Conditions Applicable to Property Coverages Only~~	~~11-12~~

	Starting On Page
Causes of Loss Section	~~P-1~~Att.
Causes of Loss.	
Replacement Cost Provision (only if applicable ~~to this policy.~~)	
Policy Conditions	Att.
Conditions Applicable to All Coverages.	
Conditions Applicable to Property Coverages Only.	

© 2001 URB®

Liability Coverage Section ..... L-1 (only if applicable.) ..... Att.

Principal Liability and Medical Payments Coverages.
Incidental Liability and Medical Payments Coverages.
Exclusions.

© 2001 URB®

GENERAL POLICY PROVISIONS

POLICY DEFINITIONS-The following definitions apply to this policy.
We define certain words which appear throughout the policy text in ***bold/italic*** face type. They do not necessarily imply that coverage is provided under ***your*** policy. The definitions help ***you*** understand the coverage which ~~is~~ may be described elsewhere in the policy.

1. The words ***you*** and ***your*** refer to the person(s) or ~~persons~~entities named in the Declarations and ***your*** spouse if a resident of ***your*** household only when the named ***insured*** is an individual. The words ***we, us*** and ***our*** refer to the insurance company named in the Declarations.
2. ***Automobile*** means a land ***motor vehicle***, trailer or semi-trailer designed for travel on public roads, including any machinery or apparatus attached to the ***automobile***. ***Automobile*** does not include mobile equipment or that unlicensed, unregistered ***automobile*** used exclusively on the ***farm premises*** for ***farming*** purposes. This definition also excepts ***automobiles*** maintained in dead storage on the ***farm premises***.
3. ***Bodily Injury*** means bodily harm, bodily sickness or bodily disease to a person including required care, loss of services and death resulting therefrom.
~~3~~4. ***Business*** means a trade, profession, or other occupation, not including ***farming***, all whether full or part time.
~~4~~5. ***Credit Card*** means any card, plate, coupon book or other credit device existing for the purpose of obtaining money, property, labor or services ~~on credit~~. This includes debit cards or any similar device used for the deposit, withdrawal or transfer of funds.
~~5.~~6. ***Custom Farming*** means ***farming*** operations that ***you*** perform for others for a fee. This includes, but is not limited to cutting, harvesting, reaping or baling operations, ditching or trenching and similar work operations.
7. ***Domestic Employee*** means a person employed by an ***insured*** to perform duties in connection with the maintenance or use of the ***insured premises***. This includes persons who perform household or domestic services or duties of a similar nature elsewhere for an ***insured***. This does not include persons while performing duties in connection with an ***insured's business*** or ***farming operations***.
8. ***Employee*** means leased ***employees*** also.
9. ***Farm Animals*** means ***your*** domesticated ***farm animals*** cultured in the practice of agriculture. ***Farm animals*** refers to livestock raised on the ***farm premises*** including but not limited to cattle, sheep, swine, goats, horses, mules, donkeys, and hybrids thereof. This definition extends to include llamas, vicunas, ostriches, deer and other "exotic" animals which are cultured for agricultural or ***business*** purposes.
10. ***Farm Dwellings*** means ***farm dwellings***, as scheduled, on the ***insured premises***. This includes additions, fixtures and outdoor equipment used for servicing such dwellings. This excludes the ***residence*** covered under coverage A.
11. ***Farming*** means the culture of land, and land animals and/or aquatic animals and crops for agricultural purposes. ***Farming*** includes the sale, from ***your farm premises***, of farm goods principally produced on the ***farm premises***. However, it does not include processing operations or retail activity other than described in this definition.
12. ***Farming Operations*** means those operations and functions necessary and incidental to the practice of ***farming***.
13. ***Farm Premises*** means the locations described on the Declarations and when used only to support ***farming operations***, related private structures on the ***farm premises*** that are not rented, held for rental or used for any ***business*** purposes.
14. ***Farm Produce and Supplies*** means farm produce usually originating on a farm. This includes supplies which are used in the operation of the farm. This excludes tobacco, growing crops and plants.
15. ***Farm Structures*** means farm buildings as scheduled. This includes attached sheds and fixtures. This excludes ***farm dwellings*** or silos, whether or not attached to a structure.
16. ***Insured***~~:~~ means the person or entity named in the Declarations.
    a. ***Insured*** means ***you*** and, if residents of ***your*** household, ***your*** relatives, and any other person under the age of 21 in ***your*** care or in the care of ***your*** resident relatives.
    b. if the named ***insured*** is a partnership or joint venture, any partner or member and their spouse is an ***insured*** but only with respect to the conduct of ***farming*** operations;
    c. if the named ***insured*** is an organization, the executive officers, members of the board of trustees, directors and governors are ***insureds*** while acting within the scope of their duties as officers and directors of the ***farming operations***. Stockholders are also ***insureds*** but only with respect to their liability as stockholders; and
    d. any person (other than an employee of the named ***insured***) or organization while acting as a real estate manager for the ***insured***.
    e. if the named ***insured*** is a limited liability company, the members and managers are ***insureds*** while acting within the scope of their duties as members and managers of the ***farming operations***.

© 2001 URB®

f. Under ~~Personal~~ Liability and Medical Payments to Others coverages only, insured also includes:
   1) any person or organization legally responsible for a watercraft or animal owned by an ***insured*** and to which this insurance applies; (This does not include anyone using or having custody of the watercraft or animal in the course of any ***business*** or without the owner's permission) and
   2) any person while performing duties as a ***domestic employee*** of an ***insured***.

~~e~~g. If ***you*** die while covered under this policy, ***your*** protection passes to ***your*** legal representative or other person having proper, temporary custody of covered property. However, this person or ***your*** legal representative is an ***insured*** only with respect to insurance on covered property and legal liability arising out of the property. Any person who is an ***insured*** at the time of ***your*** death continues to be an ***insured*** while residing on the ***insured premises***.

~~d~~h. Each person listed above is a separate ***insured*** under this policy, but this does not increase ***our*** limit of liability under this policy.

~~7. ***Insured Premises***:~~
~~a. Described Location:~~
~~1) If ***you*** own the one to four family house described in the Declarations, the ***insured premises*** means that house, related private structures and grounds at that location.~~
~~2) If ***you*** own the townhouse or row house described in the Declarations, the ***insured premises*** means that townhouse or row house, related private structures and grounds used or occupied exclusively by ***your*** household for residential purposes at that location.~~
~~3) If ***you*** own the one or two family manufactured home described in the Declarations, the ***insured premises*** means that manufactured home, related private structures and grounds at that location.~~
~~4) If ***you*** reside in the condominium unit, cooperative, apartment or rented premises described in the Declarations, the ***insured premises*** means the parts of the described location which are used or occupied exclusively by ***your*** household for residential purposes.~~

This insurance does not apply to ***bodily injury*** or ***property damage*** arising out of the conduct of any partnership, joint venture or organization of which the ***insured*** is a partner or member and which is not designated in this policy as an ***insured***.

17. ***Insured Premises***:
   a. The location described on the Declarations and the private approaches and access ways immediately adjoining that location. This also means the ***farm premises*** described on the Declarations; other land ***you*** use for ***farming*** purposes; and new ***farm premises*** acquired or leased during the policy period.
   b. For ~~Personal~~ Liability and Medical Payments ~~to Others~~ coverages, only, ***insured premises*** also ~~include~~includes the following:
      1) other premises listed in the Declarations;
      2) the portion of any residential premises acquired by ***you*** for ***your*** occupancy during the policy period;
      3) vacant land ~~(other than farm land)~~ owned by or rented to an ***insured*** including land on which a ***residence*** is being constructed for the personal use of an ***insured***;
      4) individual or family cemetery lots and burial vaults;
      5) the portion of any residential premises, not owned by an ***insured***, while temporarily occupied by an ***insured***;
      6) any premises used by ***you*** in connection with the described location;
      7) private approaches and access ways immediately adjoining the ***insured premises***; and
      8) that part of any premises occasionally rented to an ***insured*** for other than ***business*** purposes.

18. ***Medical Expenses*** means reasonable and necessary expenses for medical, surgical, X-ray, dental, ambulance, hospital, professional nursing, funeral services, prosthetic devices, hearing aids and eyeglasses, including contact lenses.

~~9~~19. ***Mobile Machinery*** means ***mobile machinery*** used in the operation of the farm including equipment, implements and tools. This includes ***motorized vehicles*** except aircraft and ***motor vehicles***. This excludes any ***specifically insured machinery***.

20. ***Motorized Vehicle*** means any self-propelled land or amphibious vehicle (regardless of horsepower, number of wheels or method of surface contact) including parts and equipment. Small motorized equipment for the service of the ***insured premises*** such as power lawn mowers and snow blowers are exempted from this definition.
The following categories of ***motorized vehicles*** have specific meanings as used in this policy.

© 2001 URB®

a.

Motor Vehicle means a ***motorized vehicle***, trailer or semi-trailer (including any attached machinery or apparatus):
1) subject to ***motor vehicle*** registration; or
2) designed for use or travel on public roads.

b.

Recreational Motor Vehicle means a ***motorized vehicle***, trailer, or attached apparatus, designed or used for off public road recreation, vacation or leisure time activities.

1021. ***Non-Farm Vehicles*** means
a) ***automobiles***, trucks, and vehicles licensed for use on highways or roads, other than farm wagons and farm trailers;
b) motorcycles, motorized bicycles or tricycles, mopeds, dirt bikes, and three or four-wheel all terrain vehicles;
c) manufactured homes, motor homes, and camper bodies; and
d) snowmobiles, watercraft, and aircraft.
This includes tires, parts, or equipment of any of the above.

22. ***Occurrence*** means an accident, including continuous or repeated exposure to substantially similar conditions.

1123. ***Poultry*** means fowl kept by the ***insured*** for use or for sale.

24. ***Property Damage*** means injury to or destruction of tangible property including the loss of its use.

1225. ***Residence*** means a one to four family house, a townhouse, a row house, or a one or two family manufactured home. ***You*** must reside in at least one of the family units shown as the ***residence*** on the Declarations Page. No more than two roomers or borders per family is permitted.

1326. ***Specifically Insured Machinery*** means machinery specifically listed on the schedule.

27. ***Specified Causes of Loss*** means fire or lightning, explosion, windstorm or hail, riot or civil commotion, aircraft, vehicles, smoke, vandalism, sinkhole collapse and volcanic action.

28. ***Tenant's Improvements and Betterments*** means permanent fixtures, alterations, and additions, made or acquired at ***your*** expense, which are part of the described structure.

29. ***Terms*** as used in this policy mean provisions, limitations, exclusions, conditions and definitions.

PROPERTY COVERAGES.

PRINCIPAL PROPERTY COVERAGES.

Coverage A-*Residence*:

This policy covers the ***residence*** on the ***insured premises*** including additions and built-in components and fixtures, and building materials and supplies located on or next to the ***insured premises*** and intended for use in construction, alteration or repair of or to the ***residence.***

Coverage A does not cover:

1. antennas (including satellite dishes and their control apparatus) their lead-in wiring, accessories, masts and , towers, owned utility poles and irrigation systems and its equipment;
2. curtains or drapes, all whether or not permanently installed, covered under Coverage C Personal Property;
3. trees, plants, shrubs and lawns;
4. 3. land, including land on which the dwellinga ***residence*** is located; or
5. 4. water, whether or not above ground.

Coverage B-*Related*Scheduled Private Structures *on the Premises* ***(This coverage does not apply to Farmowners Policies)***:

This policy covers related private structures on the ***insured premises*** which are not attached to ***your residence.*** (This policy applies only to structure(s) shown on the schedule of private structures. Structures connected toseparated from the ***residence*** by only a fence, utility line or similar connection are considered toclear space must be related private structures). Thisscheduled before coverage includes fences,is applicable. Structures such as driveways, sidewalks, and other permanently installed outdoor yard fixtures. Coverage B also includes additions and built-in components and fixtures, and building materials and supplies located on or next to the ***insured premises*** and intended for use in construction, alteration or repair of or to the related structure(s).

© 2001 URB®

However, if there are no related private structures on the ***insured premises*** or the combined replacement cost of all such related private structures on the ***insured premises*** is $1,000 or less (excluding the cost of driveways, sidewalks, fences, and swimming pools), ***you*** may add the Coverage B-Related Private Structures limit of liability to Coverage A-***Residence***. This provision does not apply to a Farmowner's policy.
But in no event will ***our*** amount of insurance for loss under Coverage A-***Residence*** exceed the combined total of the amounts that are contiguous with the ***residence*** shown on the Declarations page for Coverage A-***Residence*** and Coverage B-Related Private Structuresare included as a part of the ***residence***.

Coverage B does not cover:

1. structures used in whole or in part for ***business***. This exclusion does not apply to structures rented, held for rental or otherwise used solely for private, non-commercial garage purposes;
2. lawn or storage sheds/buildings unless mounted on a foundation or embedded poles and securely attached thereto on all sides;
3. antennas (including satellite dishes and their control apparatus) their lead-in wiring, accessories, masts and towers, owned utility poles and irrigation systems and its equipment;
4. curtains or drapes, all whether or not permanently installed, covered under Coverage C-Personal Property;
5. 2. trees, plants, shrubs and lawns;

6. 3. land, including land on which the other scheduled structures are located; or
7. 4. water, whether or not above ground.;
5. lawn or storage sheds/buildings unless mounted on a foundation or embedded poles and securely attached thereto on all sides; and
6. structures used in whole or in part for other ***business*** or ***farming operations***. This exclusion does not apply to structures rented or held for rental or otherwise used solely for private non-commercial garage purposes.

Coverage C-Personal Property.

1. **While on the *Insured Premises***-This policy covers personal property owned by or in the care of an ***insured***. At ***your*** option, the personal property of guests and ***domestic employees*** is covered while on the portion of the ***insured premises*** occupied exclusively by an ***insured***.
   This coverage also includes:
   a. curtains and drapes, all whether or not permanently installed;
   b. outdoor equipment not permanently installed.
2. **While Away from the *Insured Premises*-*You*** may apply the Coverage C-Personal Property amount of insurance to cover personal property owned or used by an ***insured*** anywhere in the world. This provision does not increase the Coverage C-Personal Property amount of insurance.
3. **While Away from the *Insured Premises* at Any Other *Insured's Residence***-Coverage for personal property usually located at an ***insured's residence***, other than the residence on the ***insured premises***, is 10% of the amount of insurance for Coverage C-Personal Property or $2,500, whichever is greater. This provision does not increase the Coverage C-Personal Property amount of insurance.
4. **Personal Property in a Newly Acquired Principal *Residence***-Personal property in a newly acquired principal ***residence*** is not subject to the 10% or $2,500 limitation (as set forth in Coverage C, Section 3-While Away from the ***Insured Premises*** at Any Other ***Insured's Residence***) for 30 days immediately after ***you*** begin to move the property to the new principal ***residence***.
   This provision does not increase the Coverage C-Personal Property amount of insurance.
5. **Limitations on Certain Property**-These special limits do not increase the Coverage C amount of insurance.
   The special limit for each category below is the total limit per ***occurrence*** for all property in that category:
   a. $100 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins, medals and numismatic property;
   b. $500 on securities, commercial paper, stamps, philatelic property, tickets, accounts, deeds, evidence of debt, passports, manuscripts, unpublished works and other valuable papers. Commercial paper means drafts, checks, certificates of deposit and notes other than bank notes, including negotiable orders of withdrawal. This special limit is applicable to these properties whether they exist on paper, computer record or any other media and it includes the cost to research or replace the information or material;
   c. $500 for loss by theft of jewelry, watches, precious and semi-precious stones, gems and furs;
   d. $1,000 for loss by theft of guns;
   e. $500 on watercraft including their trailers, equipment, accessories and outboard motors;
   f. $500 on trailers not used with watercraft;

© 2001 URB®

g. $1,000 for loss by theft of silverware, goldware, pewterware and items plated with gold or silver;
h. $5,000 on ***motorized vehicles*** not used in the ***farm operations*** and used exclusively to service the ***insured premises*** and. However, this coverage does not apply to ***motorized vehicles*** designed for or licensed for use on public roads;
i. $1,000 on grave markers;
j. $1,000 on electronic apparatus and its accessories when loss or damage occurs:
1) while in or on a ***motorized vehicle*** if that electronic apparatus is adapted for operation from the electrical system of a ***motorized vehicle*** and by other electrical source(s);
2) while away from a ***motorized vehicle*** if that electronic apparatus is adapted for operation from the electrical system of any ***motorized vehicle*** and by other electrical source(s). The electronic apparatus must be away from the ***insured premises***. This limit also applies to electronic apparatus used for ***business*** purposes; and
k. $250 on property, away from the ***insured premises***, used at any time or in any manner for any ***business*** purpose.

The following property is covered only while on the ***insured premises*** and is limited to the amounts stated:
a. $500 on ***business*** property of any ***insured***; or
b. $500 on dismounted camper bodies.; and
c. $1,000 on ***your*** property consisting of domestic appliances in an apartment which ***you*** rent or hold for rental to others.

~~6. **Personal Property Not Covered**~~

Coverage C does not cover:

a. property ~~covered by any~~ that is separately scheduled under this or any other insurance;
b. farm personal property, owned utility poles, irrigation systems and their equipment, and animals, insects, birds and fish;
c. ***motorized vehicles*** including their parts and equipment, except those personal, ***non-farm*** ***vehicles***:
1) used exclusively to service the ***insured premises*** subject to the Limitations on Certain Property; or –
2) designed and used for assisting the handicapped;
d. aircraft and parts. ~~Aircraft means any contrivance used or designed for flight, except model~~Model or hobby aircraft not used or designed to carry people or cargo are excepted;
e. ***business*** property while away from the ***insured premises*** (except as ~~shown~~included under Limitations on Certain Property above);
f. property of roomers, boarders and other tenants;
g. antennas (including satellite dishes and their control apparatus) their lead-in wiring, accessories, masts and towers, except as included under Incidental Property Coverages;
h. trees, plants, shrubs and lawns, except as included under Incidental Property Coverages;
i. electronic devices, accessories or antennas designed for operation solely from the electrical system of a ***motorized vehicle***, farm equipment or watercraft. This includes films, tapes, wires, discs, records or other media for use with such devices;
j. loss ~~that results~~ from ***credit cards***~~;~~ or other fund transfer cards, except as specifically covered under this policy;
k. property in an apartment regularly rented or held for rental to others by an ***insured,*** except as specifically covered under this policy;
l. property rented or held for rental to others off the ***residence premises,*** except as specifically covered under this policy;
m. ~~1)~~ books of account, drawings or other paper records; or
~~2)~~ electronic data processing tapes, wires, records, discs or other software media containing ***business*** data~~. But,~~ or data used in connection with ***farming operations***. However, ***we*** do cover the cost of blank or unexposed records and media.

Coverage D-Additional Expense and Loss of Rent Coverage.

We pay any necessary and reasonable increase in expenses ***you*** incur to maintain the normal standard of living of ***your*** household if the ~~***insured premises***~~***residence*** or a portion of the ~~***insured premises***~~***residence*** is made unfit for occupancy by a covered loss. ***We*** pay only for the period of time reasonably required to make the ~~***insured premises***~~***residence*** fit for occupancy or to settle ***your*** household in new quarters, whichever is less. This period of time is not limited by the policy period.

© 2001 URB®

We pay for any loss of rents actually sustained by ***you*** if the part of the ~~***insured premises***~~***residence*** rented to others is made unfit for occupancy due to a covered loss. ***We*** pay only for the period of time reasonably required to make the ~~***insured premises***~~***residence*** fit for occupancy or until ***your*** household is permanently relocated, whichever is less. Loss of rents is the amount ***you*** would have received less the charges and expenses that do not continue while the ~~***insured premises***~~ are ***residence*** is unfit for occupancy. This period of time is not limited by the policy period.

We pay ***your*** additional expenses and loss of rents for a period of up to two weeks if the premises immediately adjoining the ***insured premises*** are damaged by a cause of loss covered by this policy, and ***you*** are prohibited by order of civil authority from using the ~~***insured premises.***~~***residence***. This period of time is not limited by the policy period.

Under this coverage, ***we*** do not pay expenses due to cancellation of any lease or written or oral agreement.

INCIDENTAL PROPERTY COVERAGES (Applicable to Coverages A, B, and C).

This policy provides the following Incidental Property Coverages. These incidental coverages are subject to all of the ***terms*** of the applicable Principal Property Coverages A, B, or C. These incidental coverages do not increase the amount of insurance stated for the Principal Property Coverages.

1. **Antenna Coverage**-***We*** pay up to $500 for direct loss by covered causes of loss to antennas (including satellite dishes and their control apparatus) their lead-in wiring, accessories, masts and towers.
2. **Condominium Unit-Owner Additions**-If the ***insured premises*** are a condominium unit, ***you*** may apply up to 10 percent of the Coverage C amount of insurance to cover direct loss by covered causes of loss to permanent fixtures, alterations or additions ***you*** own within ***your*** condominium unit. This does not include parts of the building structure, or other property such as utility lines, situated in easements within the unit.
3. **Credit Card, Forgery and Counterfeit Money**:
   a. ***We*** pay up to $1000 for loss sustained by an ***insured*** when such ***insured***:
      1) becomes legally obligated to pay for the unauthorized use of ***credit cards*** issued or registered in the ***insured's*** name;
      2) suffers a loss through the forgery or alteration of checks, drafts, certificates of deposit and notes including negotiable orders of withdrawal; or
      3) accepts, in good faith, counterfeit United States or Canadian paper currency.
   b. ***We*** do not pay for loss if:
      1) the ***insured*** has not complied with the ***terms*** under which the ***credit card*** was issued;
      2) the loss is caused by the dishonesty of an ***insured***;
      3) the loss results from ***business*** activities or ***farming operations*** of an ***insured***;
      4) the loss occurs while a person, not an ***insured***, has possession of the ***credit card*** with an ***insured's*** permission.
4. **Fire Department Service Charge** (not applicable in Arizona, New Hampshire, New Mexico or New York)-***We*** pay up to $500 for charges ***you*** are obligated to pay when a fire department is called to protect the ***insured premises*** from covered causes of loss.
5. **Owned Utility Poles**-***We*** pay up to $1,000 for direct physical loss or damage to utility poles, owned by ***you*** and located on ***your*** premises, that support utility or communications transmissions or provide lighting to the ***insured premises***. This includes disconnects, panel boxes, wiring or other electrical support apparatus mounted on the owned utility pole. Causes of loss that apply to Coverage C also apply to owned utility poles.
6. **Reasonable Repairs**-*We* will pay the reasonable cost incurred by ***you*** for necessary repairs made solely to protect covered property from further damage if a covered cause of loss causes the loss. This coverage does not increase the amount of insurance that applies to the property being repaired.
7. **Removal**.
   a. **Emergency Removal**:
      1) ***We*** pay for loss to covered property while removed from the ***insured premises*** for preservation from damage from covered causes of loss. Such property is covered against direct physical loss, not specifically excluded under this policy, for a period up to five days. It is covered against loss from covered causes of loss for an additional 25 days. This coverage does not extend past the expiration date of the policy.
      2) ***We*** pay up to $250 for towing charges to move a covered manufactured home endangered by a covered cause of loss.
   b. **Debris Removal**-***We*** pay for the removal of debris of covered property following a covered loss.
      This coverage does not include costs to:
      1) extract pollutants from land or water; or
      2) remove, restore or replace polluted land or water.

© 2001 URB®

We will also pay ***your*** reasonable expense for the removal of fallen trees from the ***insured premises*** if:

a. coverage is not afforded under Incidental Property Coverages-Trees, Plants, Shrubs and Lawns for the cause of loss; or

b. the tree is not covered by this policy;

provided the tree damages property described under Coverage A-***Residence*** and/or Coverage B-RelatedScheduled Private Structures on the Premises and a covered cause of loss under Coverage C causes the tree to fall.

2. **Reasonable Repairs** *We* will pay the reasonable cost incurred by ***you*** for necessary repairs made solely to protect covered property from further damage if a covered cause of loss causes the loss. This coverage does not increase the amount of insurance that applies to the property being repaired.

3. **Fire Department Service Charge** (not applicable in Arizona, New Hampshire, New Mexico or New York) ***We*** pay up to $500 for charges ***you*** are obligated to pay when a fire department is called to protect the ***insured premises*** from covered causes of loss.

4. **Credit Card, Forgery and Counterfeit Money**:

a. ***We*** pay up to $1000 for loss sustained by an ***insured*** when such ***insured***:

1) becomes legally obligated to pay for the unauthorized use of ***credit cards*** issued or registered in the ***insured's*** name;

2) suffers a loss through the forgery or alteration of checks, drafts, certificates of deposit and notes including negotiable orders of withdrawal; or

3) accepts, in good faith, counterfeit United States or Canadian paper currency.

b. ***We*** do not pay for loss if:

1) the ***insured*** has not complied with the ***terms*** under which the ***credit card*** was issued;

2) the loss is caused by the dishonesty of an ***insured***;

3) the loss results from ***business*** activities of an ***insured***;

4) the loss occurs while a person, not an ***insured***, has possession of the ***credit card*** with an ***insured's*** permission.

5. T

he amount of insurance will not be more than $500 in the aggregate for any one loss.

8. **Tenant's Improvements and Betterments**-If ***you*** are a tenant, ***you*** may apply up to 10 percent of the Coverage C amount of insurance to cover direct loss by covered causes of loss to permanent fixtures, alterations and additions installed on the ***insured premises*** and made or acquired at ***your*** expense.

9. **Trees, Plants, Shrubs and Lawns**-***You*** may apply up to 10 percent of the Coverage C amount of insurance to cover trees, plants, shrubs and lawns on the ***insured premises***. ***We*** pay only for loss caused by the following causes of loss: Fire, Lightning, Explosion, Riot, Civil Commotion, Aircraft, Vehicles not owned or operated by an occupant of the ***insured premises***, and (if covered under this policy) Vandalism, Malicious Mischief or Theft. ***We*** do not pay more than $500 for any one tree, plant, shrub or lawn including the cost of removing the debris of the covered item.

We do not cover trees, plants, shrubs or lawn:

a. grown for ***business*** or ***farming*** purposes; or

b. located more than 250 feet from the ***residence*** on the ***insured premises***.

6. **Tenant's Improvements and Betterments** If ***you*** are a tenant, ***you*** may apply up to 10 percent of the Coverage C amount of insurance to cover direct loss by covered causes of loss to permanent fixtures, alterations and additions installed on the ***insured premises*** and made or acquired at ***your*** expense.

7. **Condominium Unit-Owner Additions** If the ***insured premises*** are a condominium unit, ***you*** may apply up to 10 percent of the Coverage C amount of insurance to cover direct loss by covered causes of loss to permanent fixtures, alterations or additions ***you*** own within ***your*** condominium unit. This does not include parts of the building structure, or other property such as utility lines, situated in easements within the unit.

8. **Antenna Coverage** ***We*** pay up to $500 for direct loss by covered causes of loss to antennas

10. **Driveways, sidewalks and permanently installed yard fixtures that are not contiguous with the *residence*-*We*** pay up to $1,000 for direct loss to driveways, sidewalks and permanently installed yard fixtures by covered causes of loss applicable to Coverage A. This does not apply to owned utility poles.

COVERAGE E-SCHEDULED FARM PERSONAL PROPERTY.
COVERAGE F-FARM STRUCTURES AND ADDITIONAL FARM DWELLINGS.
COVERAGE G-UNSCHEDULED FARM PERSONAL PROPERTY (BLANKET).

Coverage E-Scheduled Farm Personal Property.

© 2001 URB®

We cover the classes or items of scheduled farm personal property located on the ***insured premises*** and for which an amount of insurance is shown. This coverage is subject to all policy ***terms*** and it provides coverage for:

1. **Machinery**
   a. ***Mobile machinery*** insured as a class is covered while on the ***insured premises*** or while temporarily off premises but within 100 miles thereof. Y***our*** recovery is limited to the lesser of the actual cash value of loss or $1,000 per item of ***mobile machinery*** per covered ***occurrence***. ***We*** do not cover combines, corn pickers, crop driers, harvesters, hay balers, potato diggers or pickers, sawmill equipment, threshing machines or tractors;
   b. ***Specifically insured machinery*** is covered while on the ***insured premises*** or while temporarily off premises but within 100 miles thereof;
2. ***Farm Animals***
   a. ***Farm animals*** insured as a class are covered while on the ***insured premises*** or while temporarily off premises but within 100 miles thereof. ***Your*** recovery is limited to the lesser of the actual cash value of loss or $1,000 per head; meaning animals in excess of one year of age. Animals of less than one year of age are considered a half head and ***your*** recovery is limited to the lesser of the actual cash value or $500 per ***occurrence***. When ***poultry*** is covered, ***your*** recovery for covered loss of ***poultry*** is limited to the lesser of the actual cash value or $5 per bird, not to exceed $1,000 for covered loss to ***poultry*** per ***occurrence***.
   b. Specifically insured ***farm animals*** are covered while on the ***insured premises*** or while temporarily off premises but within 100 miles thereof.
3. **Grains** meaning grains; flax, threshed seeds and beans. When grains are cut and piled in stacks or swaths in the open, they are covered only for direct loss by fire or lightning.
4. **Hay**-meaning hay, straw, or fodder.
5. other scheduled farm property owned by ***you*** and used in ***your farming operation***.
6. temporary or portable buildings, but, only when not covered by other insurance.

Coverage F-Farm Structures and Additional Farm Dwellings.

We cover the items of farm real property located on the ***insured premises*** and for which an amount of insurance is shown. This coverage is subject to all policy ***terms*** and it includes:

1. those structures shown on the schedule;
2. any attached shed or other permanent addition and fixtures included within;
3. silos, whether or not attached or adjacent to any ***farm structure***, but only when specifically scheduled; and
4. tenant's improvements and betterments, when applicable.

Coverage G-Unscheduled Farm Personal Property (Blanket).

We cover unscheduled farm personal property located on the ***insured premises*** and for which an amount of insurance is shown. These additional ***terms*** apply:

1. **unscheduled *mobile machinery*** is covered while on the ***insured premises*** or while temporarily off premises but within 100 miles thereof. Y***our*** recovery is limited to the lesser of the actual cash value of loss or $1,000 per item of unscheduled ***mobile machinery*** per covered ***occurrence***. ***We*** do not cover combines, corn pickers, crop driers, harvesters, hay balers, potato diggers or pickers, sawmill equipment, threshing machines or tractors;
2. **unscheduled *farm animals*** are covered while on the ***insured premises*** or while temporarily off premises but within 100 miles thereof. ***Your*** recovery is limited to the lesser of the actual cash value of loss or $1,000 per head; meaning animals in excess of one year of age. Animals of less than one year of age are considered a half head and ***your*** recovery is limited to the lesser of the actual cash value or $500 per ***occurrence***. When ***poultry*** is covered, y***our*** recovery for covered loss of ***poultry*** is limited to the lesser of the actual cash value or $5 per bird, not to exceed $1,000 for covered loss to unscheduled ***poultry*** per covered ***occurrence***.
3. **grains**-meaning grains; flax, threshed seeds and beans. ***Your*** recovery is limited to direct loss or damage by covered causes of loss to harvested grains stored within ***farm structures*** on ***your premises***. ***We*** do not pay more than the lesser of the actual cash value of loss or $2,000 per loss of grains per covered ***occurrence***. ***We*** do not pay more than the lesser of the actual cash value of loss or $1,000, when grains are cut and piled in stacks or swaths in the open. Grains in the open are covered only for direct loss by fire or lightning.
4. **hay**-meaning hay, straw, or fodder. ***Your*** recovery is limited to direct loss or damage by covered causes of loss to harvested hay stored within ***farm structures*** on ***your premises***. ***We*** do not pay more than the lesser of the actual cash value of loss or $2,000 per loss of hay per covered ***occurrence***. ***We*** do not pay more than the lesser of the actual cash value of loss or $1,000 per covered loss when hay is cut in swaths, compacted into bales or when piled in stacks or otherwise stored in the open. Hay in the open is covered only for direct loss by fire or lightning.

© 2001 URB®

WHAT *WE* DO NOT PAY FOR UNDER COVERAGES E, F AND G.

We do not pay for:

1. Property covered under Coverages A, B, C , or D or Incidental Property Coverages pertaining to those coverages;
2. Property more specifically insured in this policy or elsewhere;
3. Antennas (including satellite dishes ~~and their control apparatus~~) their lead-in wiring, accessories, masts, owned utility poles and towers~~.~~, unless the item is specifically scheduled under Coverage E;
4. Trees, plants, shrubs and lawns, unless the item is specifically scheduled under Coverage E;
5. Tobacco, cotton, vegetables, root crops, bulbs, fruit and nursery stock, unless the item is specifically scheduled under Coverage E;
6. Contents of potato, onion, bulb or fruit cleaning, grading, sorting, packing or storage buildings, unless the item is specifically scheduled under Coverage E;
7. Race horses, show horses and show ponies, unless the item is specifically scheduled under Coverage E;
8. Contents of heated chicken fryer or broiler houses, laying houses, ***poultry*** brooder houses, duck or turkey houses including fowl therein, unless the item is specifically scheduled under Coverage E;
9. Fences, windmills, windchargers and their towers, unless the item is specifically scheduled under Coverage E;
10. ***Motor vehicles***, ***non-farm vehicles***, camper bodies, watercraft, aircraft and sawmill equipment;
11. Animals other than ***farm animals;***
12. Bulk milk tanks, bulk feed tanks, barn cleaners, unless the item is specifically scheduled under Coverage E;
13. pasteurizers, boilers, silo unloaders and any permanent fixtures attached to or within the building, other than sheds and additions as described under Coverage F-***Farm Structures***, unless the item is specifically scheduled under Coverage E or F;
14. Crops in the open, standing or otherwise, unless the item is specifically scheduled under Coverage E;
15. Portable buildings and portable structures excepting portable buildings addressed under Coverage G-Unscheduled Farm Personal Property, private power and light poles, towers and irrigation equipment unless the item is specifically scheduled under Coverage E or F;
16. Farm operations records, unless the item is specifically scheduled under Coverage E;
17. Electronic devices, accessories or antennas that may be operated from the electrical system of a ***motorized vehicle***, farm equipment or watercraft, unless permanently installed. ***We*** do not pay for films, tapes, wires, discs, records or other media for use with such devices;
18. The contents of a rice warehouse, rice drying house, cotton gin building belonging to a cotton gin plant or located on gin premises, or machinery, vehicles or implements that are part of these operations;
19. Property while stored or being processed in public elevators or warehouses, seed houses, drying plants or manufacturing plants;
20. Farm personal property with an actual cash value in excess of $2,000, unless the item is specifically scheduled under Coverage E;
21. Land;
22. Underground or surface water;
23. Property in public sales barns or stockyards, packing plants or slaughter houses; and
24. Property in the custody of a common or contract carrier, except as provided under Incidental Property Coverages.

INCIDENTAL PROPERTY COVERAGES: (**Applicable to Coverages E, F, and G**).

This form provides the following Incidental Property Coverages. These incidental coverages are subject to all the ***terms*** of Coverages E, F and G. These incidental coverages do not increase the amount of insurance stated for Coverages E, F and G.

1. **Additionally Acquired *Farm Animals***-recovery applies only when death or necessary immediate destruction of additionally acquired ***farm animals*** arises from ***specified causes of loss***. ***We*** do not pay more than the lesser of actual cash value or $1,000 per additionally acquired ***farm animal***. Animals of less than one year of age are considered a half head and ***your*** recovery is limited to the lesser of the actual cash value or $500 per ***occurrence***. This coverage applies for 30 days from the date of acquisition or until the expiration of the policy, if it occurs first. To continue coverage, ***you*** must report the acquisition to ***us*** and pay the premium due. Replacement animals are covered on the same ***terms*** as the ***farm animals*** they replaced. This insurance is excess over any other valid and collectible insurance available to ***you***.
2. **Away from Premises**.
   a. ***Farm produce and supplies-You*** may apply up to 10% of the amount of insurance for ***farm produce and supplies*** to cover such property off, but within, 100 miles of the ***insured premises***.

© 2001 URB®

b. ***We*** pay up to $1,000 for covered loss to grain, threshed seeds, threshed beans, hay, straw, fodder, silage, ground feed and manufactured and compounded stock foods, except while stored or being processed in public elevators or warehouses, seed houses, drying plants or manufacturing plants.

3. **Borrowed or Leased Equipment**-meaning ***mobile machinery*** owned by others, used in ***your farming operations*** and in which ***you*** do not have an ownership or lienholder interest. ***Your*** recovery is limited to direct loss or damage by ***specified causes of loss*** to borrowed or leased equipment in ***your*** possession. ***We*** do not pay more than the lesser of the actual cash value of loss or $2,000, per item of borrowed or leased equipment per covered ***occurrence***.
   a. This does not apply to ***mobile machinery*** from an implements dealer left for trial or demonstration; and
   b. to any leased or borrowed vehicle, which if licensed and registered, qualifies as an ***automobile***.
4. **Debris Removal**-***we*** pay for the removal of debris of covered property following a covered loss.
   This coverage does not include costs to:
   a. extract pollutants from land or water; or
   b. remove, restore or replace polluted land or water.
   We will not pay any more under this debris removal coverage than 25 percent of the amount ***we*** pay for the direct loss or damage. ***We*** will not pay more for loss to property and debris removal combined than the amount of insurance for the property.
   We will not pay any expenses unless they are reported to ***us*** within 180 days of the direct physical loss or damage to covered property.
5. **Emergency Removal**.
   a. ***We*** pay for loss to covered property while removed from the ***insured premises*** for preservation from damage from covered causes of loss. Such property is covered against loss from covered causes of loss for 30 days. This coverage does not extend past the expiration date of the policy.
   b. ***We*** pay up to $250 towing charge to move a covered mobile structure endangered by a covered cause of loss.
6. **Fire Department Service Charge**-(not applicable in Arizona, New Hampshire, New Mexico or New York).
   We pay up to $500 for charges ***you*** are obligated to pay when a fire department is called to protect the ***insured premises*** from a loss caused by covered causes of loss.
7. **Glass Breakage**-when no other coverage applies, ***we*** pay up to $250 for breakage of any glass windshield or side plate and not more than $500 in any one ***occurrence*** for replacement of glass in the cabs of ***your*** covered farm machinery.
8. **Materials and Supplies**-***we*** pay up to $10,000 for a loss to materials and supplies from ***specified causes of loss***. This includes all materials and supplies, on or adjacent to the ***insured premises***, intended to be used in the construction, alteration or repair of a covered building or ***farm structure***.
9. **Property of Others In Your Care, Custody or Control While On the *Farm Premises*-*you*** may apply up to 2% of the ***farm produce and supplies*** amount of insurance, up to $1,000, to cover ***farm produce and supplies*** of others in ***your*** care, custody or control.
   This coverage applies only if loss or damage is caused by ***specified causes of loss***. This coverage is excess over any other insurance.
10. **Repairs**-***we*** cover the cost of repairs that are reasonable and necessary to protect covered property from further damage after damage from a covered loss. ***We*** will not pay more for loss to property and repairs combined than the amount of insurance for the property.
11. **Subsequently Acquired Mobile Machinery**-the following insurance shall be excess over any other valid and collectible insurance available to the ***insured***.
    a. ***Mobile Machinery***-when ***your*** mobile machinery is insured, ***we*** cover newly acquired ***mobile machinery***, which is not a replacement item, for causes of loss applicable to ***your*** mobile machinery. The amount of insurance is not more than $15,000 on all newly acquired ***mobile machinery***. This coverage applies for 30 days from the date of acquisition or until the expiration date of the policy, if it occurs first.
       Within 30 days of acquisition, the ***insured*** must report the acquisition to ***us***. The ***insured*** must give ***us*** a full description of the new machinery and pay the additional premium required.
       We do not cover subsequently acquired ***non-farm vehicles***, brooders, fences, windmills or windchargers or their towers.
    b. **Specifically Insured Machinery**-this policy covers items acquired as replacement for ***specifically insured machinery*** for causes of loss applicable to that ***specifically insured machinery***.
       The amount of insurance is the lesser of the amount of insurance specified for the replaced item plus $15,000, or the actual cash value. The additional $15,000 amount applies for 30 days from the date of acquisition or until the expiration date of this policy, if it occurs first.

© 2001 URB®

Within 30 days of acquisition, the ***insured*** must report the acquisition to ***us***. The ***insured*** must give ***us*** a full description of the new machinery and pay the additional premium required. If this is not done, the amount of insurance for the replaced item applies.

12. **Property in the Custody of a Common or Contract Carrier**-***we*** pay for loss to property covered under Coverages E or G while it is in the custody of a common or contract carrier and within 100 miles of the ***insured premises***. The loss must be caused by ***specified causes of loss***. ***We*** will pay up to $1,500 per ***occurrence***.
13. **Signs**-***we*** pay up to $500 per ***occurrence*** for loss to outdoor signs related to the ***farming operation***. The loss must be caused by ***specified causes of loss***.
14. ***Farm Operations*** **Records**-***we*** pay up to $1,500 per ***occurrence*** for expenses ***you*** incur to reproduce, replace, or restore ***your farm operations*** records damaged by ***specified causes of loss***. This includes the research necessary to obtain data.

EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES

We do not pay for loss caused directly or indirectly by any of the following exclusions. The loss is excluded regardless of any other causes or events that contribute to or aggravate the loss either before the loss, at the same time as the loss or after the loss.

1. **Ordinance or Law**-~~This~~ means loss or increased cost resulting from enforcement of any code, ordinance or law regulating the use, construction, repair, or demolition of a building or other structure. When breakage of glass is covered by this policy, ***we*** pay to replace damaged glass with safety glazing materials where required by code, ordinance or law.
2. **Civil Authority**-~~This~~ means loss, including seizure, confiscation or destruction of property, caused by order of any civil authority.
   We pay for loss resulting from acts of destruction by civil authority to prevent the spread of fire as long as the fire did not originate from a cause of loss excluded by this policy.
3. **Nuclear Hazard**-~~This~~ means loss caused by nuclear reaction, nuclear radiation or radioactive contamination (whether controlled or uncontrolled and whether caused by, contributed to or aggravated by any ~~covered~~ cause of loss covered by this policy). Loss caused by nuclear hazard shall not be considered loss caused by fire, explosion or smoke. However, direct loss by fire resulting from the nuclear hazard is covered.
4. **War**-~~This~~ means undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. It includes any ~~consequence~~consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
5. **Neglect**-~~This~~ means neglect by an ***insured*** to use all reasonable means to save and preserve covered property at and after the time of a loss. It also means neglect by any ***insured*** to use all reasonable means to save and preserve covered property when endangered by a covered cause of loss.
6. **Earth Movement of any Kind**-~~This~~ includes, but is not limited to, earthquake, landslide, mudflow, earth sinking and earth rising or shifting, subsidence, sinkhole, erosion, expanding or contracting, volcanic eruption or effusion including outpouring of lava or ash. Sinkhole collapse and volcanic action may be separately addressed by this policy.
   We pay for direct loss by fire, explosion, and (if covered by this policy) theft ~~resulting from earth movement.~~which may result. Explosion does not include volcanic eruption or effusion.
7. **Water Damage**-~~This~~ means loss caused by:
   a.-
   _____fl
   ood, surface water, waves, tidal water, overflow of a body of water or spray from any of these whether wind driven or not;
   b.-
   _____
   water which backs up through sewers or drains; or
   c.-
   _____
   water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through or into a building, sidewalk, driveway, foundation, swimming pool or other structure.
   We pay for direct loss by fire, explosion and (if covered under this policy) theft which may result. Explosion does not include volcanic eruption or effusion.

© 2001 URB®

8. **Power Interruption** ~~This~~ means loss from the interruption of power or other utility services resulting from any cause, whether covered under this policy or not, if the interruption takes place away from the ***insured premises***. ***We*** pay for direct loss by a covered cause of loss which occurs on the ***insured premises*** as a result of any interruption of power.
9. **Business Interruption** ~~This~~ means loss resulting from the interruption of ***business*** or ***farming***.
10. **Wear and Tear** ~~This~~ includes damage caused by marring, deterioration, inherent vice, latent defects, mechanical breakdown, rust, wet or dry rot, corrosion, mold, contamination or smog unless loss or damage arises from a cause of loss covered by this policy.
11. **Errors, Omissions and Defects**-means an act, error or omission (negligent or not) relating to:
    a. land use and planning including zoning, development, surveying or siting;
    b. the design, specification, workmanship, repair, construction, renovation, remodeling, grading or compaction;
    c. materials used in repair, construction, renovation or remodeling; or
    d. maintenance of property (including land structures or improvements) whether on or off the ***insured premises***.
    We pay for an ensuing loss unless the ensuing loss itself is excluded.
12. **Intentional Acts** ~~***We***~~means ***we*** do not pay for loss which results from an act committed by or at the direction of an ***insured*** and with the intent to cause a loss.
13. **Acts or Decisions**-means the acts or decisions of any person, group, organization or government body (including the failure to act or decide).
14. **Weather conditions**-means this exclusion only applies if weather conditions contribute in any way with a cause or event excluded above to produce the loss.

HOW MUCH *WE* PAY FOR LOSS OR CLAIM:

Settlement of property losses covered by this policy shall be made in accordance with the following provisions.

1. ~~**Under Property Coverages:**~~

~~a. Property~~Coverage A-property losses are settled on the basis of actual cash value including deduction for depreciation, however caused. If at the time of loss or claim, ***your*** policy indicates that settlement for loss will be made on the basis of actual cash value and if ***your*** amount of insurance for Coverage A ~~- -~~ ***Residence*** is equal to or exceeds 80% of the replacement value of the ***insured residence***, then the ***insured*** may elect:

~~1)~~ a.

t o exercise his/her option for the actual cash value settlement including deduction for depreciation; or

~~2)~~ b.

t o exercise his/her option for settlement under the Replacement Cost Provision shown in the Causes of Loss Section.

If the Replacement Cost option is selected by the ***insured*** for Coverage A-***Residence***, then losses under Coverage A-***Residence*** and Coverage B-~~Related~~Scheduled Private Structures ~~on the Premises~~ will be settled according to the terms of the Replacement Cost Provision set forth in the Causes of Loss Section.

~~b. ***Our* Amount of Insurance** For loss to property, ***we*** pay~~ 2. All other property losses are settled on the basis of actual cash value including deduction for depreciation, however caused. If the Replacement Cost option is selected by the ***insured*** for that property, then losses to that property will be settled according to the ***terms*** of the applicable Replacement Cost Endorsement.

3. Property losses will be settled on the basis of the lesser of the following amounts:

~~1)~~a.

t he applicable amount of insurance;

~~2) an~~ b.

t he amount ~~not greater then~~ of ***your*** interest in the property;

~~3)~~ c.

t he actual cash value of the property at the time of loss including an appropriate deduction for depreciation however caused;

d. the cost of repairing or replacing the property with materials of equivalent kind and quality to the extent practicable;

~~4)~~e. the amount computed after applying the deductible or other limitation applicable to the loss;

© 2001 URB®

5) the actual cash value of the property at the time of loss (except as provided under the Replacement Cost Provision, if applicable); or

6)f.

(

applies to manufactured homes only at ***your*** option) the amount equal to the difference between the actual cash value of the property immediately before the loss and its actual cash value immediately after the loss.

c. **Deductible**:4. **Coinsurance**.

1) The deductible applies to the following Principal Property Coverages: Coverage A-Residence; Coverage B-Related Private Structures on the Premises; and Coverage C-Personal Property. It also applies to the following Incidental Property Coverages: Debris Removal; Trees, Plants, Shrubs and Lawns; Tenant's Improvements and Betterments; Condominium Unit-Owner Additions; and Antenna Coverage. The deductible applies to covered causes of loss, except as excluded or limited, unless otherwise stated in the Declarations or any endorsement.

2) ***We*** pay only that part of the loss over the deductible stated in the Declarations or endorsement. Not more than one deductible applies per ***occurrence***;

3) If coverage is otherwise restricted by special amounts of insurance, ***our*** liability must be separately computed under both the deductible and the special amount of insurance. ***We*** pay the lesser of the two amounts.

d a)

Coinsurance Applicable to Coverage E

Our amount of insurance when an item is covered as part of a class is that proportion of the loss which the amount of insurance for that class bears to 80% of the actual cash value of all property covered under that class at the time of loss. Coinsurance does not apply to specifically insured items.

The value of items acquired, not as replacement items, within the previous 30 days shall be excluded from the above calculation.

b) **Coinsurance Applicable to Coverage G**.

We pay no more than that proportion of the loss to covered property that the Coverage G-Unscheduled Farm Personal Property (Blanket) amount of insurance bears to 80% of the actual cash value of the farm personal property at the time of loss. Any property more specifically insured in this policy or elsewhere shall be excluded from this calculation.

The calculation of the actual cash value of the farm personal property at the time of loss shall not include the value of farm property acquired, not as replacement items, within the previous 30 days.

5. **Loss to a Pair or Set**-If there is loss to an article which is part of a pair or set, ***we*** are only liable for a reasonable proportion of the value of the entire pair or set, and the loss is not considered a total loss of the pair or set.

2. **Under Personal Liability and Medical Payments to Others Coverages**-The limits of liability stated in the Declarations are the maximum amounts ***we*** pay for loss in a single ***occurrence*** under these coverages, regardless of the number of6. **Tenant's Improvements and Betterments**-will be valued at:

a. persons covered under this policy a ctual cash value of the lost or damaged property if repaired or replaced at ***your*** expense within a reasonable time;

b. parties who sustain injury or damage; or a portion of ***your*** original cost if ***you*** do not make repairs. ***We*** will determine the proportionate value in the following manner:

c. claims made or suits brought.

Payment of a claim under the Medical Payments to Others coverage does not constitute an admission of liability under the Personal Liability coverage.

3 (1) multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(2) divide the amount determined in (1) above by the number of days from the installation of improvements to the expiration of the lease.

If ***your*** lease contains a ***renewal*** option, the expiration of the ***renewal*** option period will replace the expiration of the lease in this procedure.

c. nothing if others pay for repairs or replacement.

7. **Deductible**.

The deductible applies to all covered causes of loss unless otherwise stated in the Declarations or any endorsement.

© 2001 URB®

a. ***We*** pay only that part of the loss in excess of the deductible stated in the Declarations or endorsement. Not more than one deductible applies per loss but:
(1) If this policy covers more than one building, the deductible applies separately to each building.
(2) If this policy covers only ***your*** personal property, the deductible applies separately to ***your*** property in each building.
b. If coverage is otherwise restricted by special amounts of insurance, ***our*** liability must be separately computed under both the deductible and the special amount of insurance. ***We*** pay the lesser of the two amounts.
c. If the same deductible amount applies to ***your*** building, and personal property within that building, one deductible shall apply to the loss for the building and property within that building; otherwise, the greater of any applicable deductibles shall apply.
d. The Coverage A deductible applies to all Incidental Property Coverages (Applicable to Coverages A, B and C) except Credit Card, Forgery and Counterfeit Money, Fire Department Service Charge, Owned Utility Poles and Reasonable Repairs.
e. A $250 deductible applies to all Incidental Property Coverages (Applicable to Coverages E, F and G) except Fire Department Service Charge and Repairs.

8. **Insurance Under More Than One Coverage**-If more than one coverage of this policy covers the same loss, ***we*** pay no more than the actual claim, loss or damage sustained.

~~4~~9. **Insurance Under More Than One Policy**~~ Where property coverage is involved, if there is other collectible insurance that applies to the loss, ***we*** pay ***our*** share of the loss. ***Our*** share is that part of the loss that the amount of insurance stated in the policy bears to the total amount of insurance that applies to the loss. When a loss is also covered by the master policy of a condominium association, this insurance is excess~~.

~~Where personal~~ a. ***Y***

ou may have other insurance subject to the same plan, ***terms***, conditions and provisions as the insurance under this policy. If ***you*** do, ***we*** will pay ***our*** share of the covered loss or damage. ***Our*** share is the proportion that the applicable amount of insurance under this policy bears to the total amount of all insurance covering on the same basis.

b. If there is other collectible insurance covering the same loss or damage, other than that described in a. above, ***we*** will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance. But ***we*** will not pay more than the applicable amount of insurance.
c. When tort liability is involved, this insurance is excess over other valid and collectible insurance that applies to the loss or claim.

~~5~~10. **Restoration of ~~Limit of Liability~~ Amount of Insurance**-Any loss ***we*** pay under this policy does not reduce the amount of insurance applying to a later loss.

11. **Electronic Data Processing Software and Media**- ***We*** will pay up to $1,000 for covered loss to software and media. ***We*** will pay the amount incurred to replace media in blank form and the cost of commercially available software.

12. **Under Coverage L and Coverage M**-The limits of liability stated in the Declarations are the maximum amounts ***we*** pay for loss in a single ***occurrence*** under these coverages, regardless of the number of:
a. persons covered under this policy;
b. parties who sustain injury or damage; or
c. claims made or suits brought.
Payment of a claim under the Coverage M coverage does not constitute an admission of liability under the Coverage L.

PAYMENT OF LOSS OR CLAIM.

~~1. **Property Coverages**:~~
~~a. ***Your*** **Property** ***We*** will adjust all losses with ***you***. A covered loss will be payable 45 days after an acceptable proof of loss is received and the amount of the loss has been established either by written agreement with ***you*** or the filing of an appraisal award with ***us***. Payment will be made to ***you*** unless another loss payee is named in the policy.~~
~~b. **Additional Expenses** If the ***insured premises*** are made unfit for occupancy for more than one month, covered expenses will be paid on a monthly basis upon submission of reasonable proof of the ***insured's*** expenses.~~

~~c. **Damage to Personal Property of Others** At ***our*** option, a covered loss to property of others may be:~~

© 2001 URB®

1) adjusted with and paid to ***you*** for the account of the owner of the property; or. In the event of loss or damage to property covered under this policy, ***we*** will:

2) adjusted with and paid to the owner. Payment to the owner discharges ***our*** obligation to an ***insured*** as to this property.

d. ***Our* Options**:

1) ***We*** have the option to:

(a).

p

ay the loss in money; or

(b).

r

ebuild, repair or replace with property of equivalent kind and quality, to the extent practicable, within a reasonable time. ***We*** must give the ***insured*** notice of ***our*** intent to do so within 30 days after receipt of an acceptable proof of loss.

2) ***We*** may c.

t

ake all or any part of damaged property at the agreed or appraised value. Any property paid for or replaced shall become ***our*** property.

2. **Liability Coverages** Any person who has secured a judgment against an ***insured*** for a covered loss or has liability established by a written agreement between the claimant, an ***insured*** and ***us***, is entitled to recover under this policy to the extent of coverage provided.

We will give notice of ***our*** intent to rebuild, repair or replace within 30 days after receipt of a duly executed proof of loss.

2. ***Your* Property**-***We*** will adjust all losses with ***you***. A covered loss will be payable after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with ***you*** or the filing of an appraisal award with ***us***. Payment will be made to ***you*** unless another loss payee is named in the policy.
3. **Additional Expenses**-If the ***insured premises*** are made unfit for occupancy for more than one month, covered expenses will be paid on a monthly basis upon submission of reasonable proof of ***your*** expenses.
4. **Property of Others**-Losses to property of others may be adjusted with ***you***. ***We*** reserve the right to adjust with and pay to the owners. Payment to the owners satisfies ***our*** obligation to ***you*** for loss to this property. ***We*** may also choose to defend ***you*** against any suits arising from claims of the owners of property.
5. **Liens for Unpaid Taxes**.

We aremay be required by the Insurance Law to deduct the claim of any tax district from the amount ***we*** pay ***you*** for a loss by fire.

To the extent ***we*** pay any tax district the amount certified as ***your*** unpaid taxes, ***we*** are no longer obligated to pay this amount to ***you***.

Our payment of such claim to the tax district within 30 days ofthe required time from the receipt of a certificate of lien shall be consideredconsidered by ***you*** and ***us*** that such claim was valid and properly paid.

This does not apply to a loss by fire to a one or two family residential structure.

6. **Liability Coverages**-Any person who has secured a judgment against an ***insured*** for a covered loss or has liability established by a written agreement between the claimant, an ***insured*** and ***us***, is entitled to recover under this policy to the extent of coverage provided.

WHAT *YOU* MUST DO IN CASE OF LOSS.

1. **Notice**:.
   a. In case of a loss or if an ***insured*** becomes***you*** become aware of anything that indicates there might be a claim under this policy, the ***insured* *you*** must:
      (1) promptlyas soon as practicable give ***us*** or ***our*** agent notice (in writing if requested);
      (2) as soon as practicable notify the police when the act causing the loss is also a violation of law; or
      (3) notify the ***credit card*** company, if the loss involves ***credit cards***.
   b. The notice to ***us*** must state:
      (1) the ***insured's* *your*** name, the kind of policy, policy number and the time, place, and circumstances of the loss; and
      (2) names and addresses of any potential claimants and or witnesses.
2. **Cooperation** The ***insured*** must cooperate with ***us*** in performing all acts required by this policy. In the event of a loss, ***we*** reserve the right to take samples of the damaged building(s) and personal property for inspection and analysis.

© 2001 URB®

3. **Volunteer Payments** The ***insured*** must not, except at the ***insured's*** own cost, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as specifically permitted in the following paragraph.

4. **Additional Duties Protect Property Coverages:**

a. The ***insured You*** must also:

1) take all reasonable steps to protect covered property at and after a covered loss to avoid further damage. (***We*** pay for repairs which are reasonable and necessary to protect the property from further damage, provided the ***insured*** keeps an accurate record of such expenses. These payments do not increase the amount of insurance otherwise applicable to the loss); and.

2) 3. **Cooperation-*You*** must cooperate with ***us*** in performing all acts required by this policy. In the event of a loss, ***we*** reserve the right to take samples of the damaged building(s) and personal property for inspection and analysis.

4. **Volunteer Payments-*You*** must not, except at ***your*** own cost, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses.

5. **Proof of Loss-*You*** must submit to ***us*** a statement of loss (under oath proof of loss (sworn to by ***you*** if requested) within 60 days after the loss or accident.

b. At ***our*** request, the ***insured*** (and mortgagee, when applicable) must also:

1) submit an acceptable proof of loss, within 60 days after our request, containing the following information:

a). the time, place and circumstances of loss;

b) the ***insured's***, ***y***

our interest and the interestinterests of all others in the property involved, including all mortgages and liens on the covered property;

c). other policies of insurance that may cover the loss on the property;

d). changes in title or occupancy of the property during the policy period;

e). available plans and specifications of buildings or structures;

f). detailed estimates for repair of the damageor replacement of damaged property; and

g). if requested, an inventory of damaged personal property showing in detail the quantity, description, cost, actual cash value and amount of loss. The ***insuredYou*** must attach to the inventory copies of all bills, receipts and related documents that substantiate the inventory.

2) submit to examination under oath, to be administered separately to each insured, in matters connected with the loss or claim as often as ***we*** reasonably request;6. **Additional Duties-*You*** must:

3)a. if requested, permit ***us*** to question each ***insured*** separately under oath at such times as may be reasonably required about any matter relating to this insurance or ***your*** claim, including ***your*** books and records. In such event, ***your*** answers must be signed.

b. exhibit the damaged property as often as ***we*** reasonably request and allow ***us*** to take samples for testing or analysis;

4)c.

p

roduce records, including tax returns and bank microfilms of all canceled checks, relating to value, loss and expenses and permit copies and extracts to be made of them as often as ***we*** reasonably request; and

5)d.

a

ssist in enforcing any right of recovery which the ***insuredyou*** may have against any party causing the loss;.

6)e.

p

roduce records supporting loss of rents and receipts to support any additional living expenses; and

7)f.

s

ubmit evidence or an affidavit supporting a claim under Credit Card, Forgery, and Counterfeit Money coverage stating the amount and cause of loss.

57. **Additional Duties-Personal Liability Coverage**-In the event of an ***occurrence*** which might result in a claim for ***bodily injury*** or ***property damage*** liability under this policy, the ***insured*** must also do the following:

a. promptly forward to ***us*** copies of all notices, demands or legal papers received in connection with the ***occurrence***;

b. at ***our*** request, assist in:

1) making settlements;

© 2001 URB®

2) the conduct of suits or other dispute resolution devices including attending trials and hearings;
3) enforcing any right of contribution or indemnification against any party who may be liable to any ***insured*** for the injury or damage;
4) securing and giving evidence; and
5) obtaining the attendance of witnesses.

~~6.~~ 8. **Additional Duties-Medical Payments ~~to Others~~ Coverage**-In case of a covered medical payments loss, the following are also required:

a. The injured person or someone acting on such person's behalf must:
   1) give ***us*** written proof of claim (under oath if requested) as soon as practical; and
   2) authorize ***us*** to obtain copies of medical reports and records.
b. The injured person shall submit to physical examinations by physicians selected by us when and as often as ***we*** reasonably require.

~~**POLICY CONDITIONS**~~

~~In addition to the policy ***terms*** which are contained in other sections of this policy, the following conditions also apply.~~

~~**CONDITIONS APPLICABLE TO ALL COVERAGES**~~

~~1. **Assignment** Assignment of this policy is not valid without ***our*** written consent.~~

~~2. **Cancellation:**~~

~~With respect to cancellation and non-renewal, ***Required Policy Period*** means a period of three years from the date the policy is first issued or voluntarily renewed.~~

~~a. **By *You*** ***You*** may cancel this policy at any time by giving ***us*** written notice or returning the policy to ***us*** and stating when thereafter the cancellation is to be effective.~~

~~b. **By *Us*** ***We*** may cancel this policy by written notice delivered to or mailed to ***you*** at the mailing address shown in the Declarations. Proof of delivery or mailing is sufficient proof of notice. This notice must be delivered or mailed the required number of days prior to the effective date of the cancellation or nonrenewal. For a description of the number of days of required notice, refer to: (1) Nonpayment of premium, (2) New Policy, (3) Policy with a Term over One Year, (4) Nonrenewal, and (5) All Other Situations.~~

~~c. **When *We* May Cancel or Nonrenew** ***We*** may cancel or nonrenew the policy under the following conditions:~~

~~1) Non-Payment of Premium If the premium has not been paid when due, ***we*** may cancel at any time by giving the required notice at least 15 days before cancellation is effective.~~

~~2) New Policy If this is a new policy which has been in effect less than 60 days and is not a renewal, ***we*** may cancel by providing a statement giving the specific reason or reasons for cancellation and by giving the required notice at least 30 days before cancellation is effective. A renewal of a policy issued by ***us*** is not a new policy.~~

~~3) Policy with Term over One Year If this policy is written for a term longer than one *year*, ***we*** may cancel for any reason by giving ***you*** the required notice at least 45 days (but not more than 60 days) before the anniversary date of the ***required policy period***.~~

~~4) Non-Renewal ***We*** may elect not to renew or continue this policy by giving written notice of ***our*** intent at least 45 days (but not more than 60 days) before the end of the ***required policy period***. This notice shall contain ***our*** specific reason(s) for non-renewal or conditional renewal. The notice may be delivered to or mailed to ***you*** at the mailing address shown in the Declarations. Proof of delivery or mailing shall be sufficient proof of notice.~~

~~5) All Other Situations If this policy has been in effect 60 days or more or is a renewal of a policy issued by ***us***, ***we*** may cancel only for the reasons set forth below and by giving the required notice at least 30 days before cancellation is effective.~~

~~The reasons are:~~

~~a. conviction of a crime arising out of acts increasing the hazard insured against;~~
~~b. discovery of fraud or material misrepresentation in obtaining the policy or in the presentation of a claim thereunder;~~
~~c. discovery of willful or reckless acts or omissions increasing the hazard insured against;~~
~~d. physical changes in the property insured occurring after issuance or last annual anniversary date of the policy which result in the property becoming uninsurable in accordance with the insurer's objective, uniformly applied underwriting standards in effect at the time the policy was issued or last voluntarily renewed; or~~

© 2001 URB®

e. a determination by the superintendent that the continuation of the policy would violate or would place the insurer in violation of this chapter. (Chapter 28 of the Consolidated Laws Insurance Law).

d. ***We*** refund premium for the unexpired policy period on a pro rata basis. Any unearned premium amounts under $5.00 will be refunded only on ***your*** request.

e. **Refund of Premium** Payment or tender of unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to ***you*** within a reasonable time.

3. **Conditional Reinstatement** If ***we*** issue a cancellation notice because ***you*** didn't pay the required premium when due and ***you*** then tender a check, draft or other remittance which is not honored on presentation, ***your*** policy will terminate on the date and time shown on the cancellation notice and any notice ***we*** issue which waives the cancellation or reinstates the policy is void. This means that ***we*** will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice. ***We*** will give ***you*** notice of the dishonor of ***your*** remittance as soon as practicable but this shall not interrupt the cancellation of this policy.

4. **Change, Modification, or Waiver of Policy Terms** A waiver or change of any ***terms*** of this policy must be issued by ***us*** in writing to be valid. ***Our*** request for an appraisal or examination under oath does not waive any of ***our*** rights.

If ***we*** adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy.

If this policy is issued on a continuous basis, (with no specified expiration date) ***we*** may substitute or add, upon any anniversary date, forms or endorsements which are authorized for use on this policy in accordance with ***our*** manual rules in effect at the time.

If the change in forms or endorsements reduces coverage or limits, ***we*** must notify ***you*** as provided under the Non-Renewal ***terms*** contained in this endorsement.

5. **Conformity with Statute** ***Terms*** of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.

6. **Misrepresentation, Concealment or Fraud** ***We*** do not provide coverage if, whether before or after a loss:

a. An ***insured*** has willfully concealed or misrepresented:

1) any material fact or circumstance concerning this insurance; or

2) an ***insured's*** interest herein.

b. There has been fraud or false swearing by an ***insured*** regarding any matter relating to this insurance or the subject thereof.

7. **Inspection** ***We*** are permitted but not obligated to inspect ***your*** property and operations. ***Our*** inspection or any resulting advice or report does not warrant that ***your*** property or operations are safe or healthful or are in compliance with any law, rule or regulation.

8. **Policy Premium** If this policy is issued without a specified expiration date, it may be continued by payment of the required premium for the next annual period. The premium must be paid to ***us*** on or before each anniversary date.

Premium is subject to adjustment on the basis of the rates in effect at each anniversary date.

9. **Recoveries** If ***we*** pay an ***insured*** for loss under this policy and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:

a. The ***insured*** must notify ***us*** or ***we*** will notify the ***insured*** promptly if either recovers property or receives payment.

b. Any proper expenses incurred by either party in making the recovery are reimbursed first.

c. The ***insured*** may keep recovered property by refunding to ***us*** the amount of the claim paid or any lesser amount to which ***we*** agree.

d. If the claim paid is less than the agreed loss due to a deductible, special limit of liability or other limiting ***terms*** of the policy, any recovery will be pro-rated between the ***insured*** and ***us*** based on ***our*** respective interests in the loss.

10. **Subrogation**:

a. If ***we*** make a payment under this policy, ***we*** may require that the ***insured*** assign to ***us*** his or her right of recovery against any person for the loss to the extent of the payment. The ***insured*** must do everything necessary to make this assignment and secure ***our*** rights.

b. ***We*** are not liable for any loss if an ***insured*** does anything after the loss occurs to impair ***our*** right to recover. ***You*** may waive ***your*** right of recovery in writing before a loss occurs without voiding the coverage.

c. If ***we*** pay a loss to or on behalf of an ***insured*** and the ***insured*** recovers damages from another person for the same loss, the ***insured*** shall hold the amount recovered in trust for ***us*** and shall reimburse ***us*** as provided under Recoveries.

© 2001 URB®

11. **Suit Against *Us*:**
    a. **Property Coverages** No suit to recover for any property claim may be brought against ***us*** unless:
        1) the ***terms*** *of* this policy have been fully complied with; and
        2) the suit is commenced within 2 years after the loss.
    b. **Liability Coverage** No suit may be brought against ***us*** to recover amounts due for ***bodily injury*** or ***property damage*** liability unless:
        1) the ***terms*** of this policy have been fully complied with; and
        2) the amount of any ***insured's*** liability has been conclusively fixed:
            (a) by a final judgment against the ***insured***; *or*
            (b) by written agreement of the ***insured***, the claimant and ***us***.
    No person shall have any right under this policy to join or implead ***us*** in any action brought to determine an ***insured's*** liability.
12. **Bankruptcy of an Insured** Bankruptcy or insolvency of any ***insured*** or his or her estate does not relieve ***us*** of any of ***our*** obligations under this policy.

CONDITIONS APPLICABLE TO PROPERTY COVERAGES ONLY

13. **Abandonment of Property** ***We*** may take the property or any part of it at the agreed or appraised value, but an ***insured*** may not abandon the covered property to ***us*** unless ***we*** specifically agree.
14. **Appraisal** If ***you*** and ***we*** do not agree on the cost to repair or replace, actual cash value of or amount of loss to covered property when loss occurs, either party may demand that these amounts be determined by appraisal. If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, ***you*** or ***we*** can ask a judge of a court of record in the state where the property is located to select an umpire.
    The appraisers will then determine the amount of the damage stating separately, in detail: the cost to repair or replace, actual cash value of, and amount of loss to each building item and item of personal property. If the appraisers submit a written report of any agreement to ***us,*** the amount agreed upon will be the amount of the damage or value. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the cost to repair or replace, actual cash value of and amount of loss to each item. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by ***you*** and ***us***.
15. **No Benefit to Bailee** Insurance under this policy shall not directly or indirectly benefit any hired carrier or anyone else who is paid for assuming custody of covered property.
16. **Secured Party Coverage APPLIES ONLY TO COVERAGE ON MANUFACTURED HOMES AND PERSONAL PROPERTY**. (This entire clause is void unless the name of a secured party is inserted in the Declarations. This clause applies only to the interest of a secured party and does not affect the ***insured's*** rights or duties under the policy).
    If a secured party is named in this policy, any loss payable on property subject to the security interest shall be payable to the secured party and ***you*** as interest may appear. If there is more than one security interest in the same property, the order of payment shall be the same as their order of priority.
    If ***we*** deny ***your*** claim, that denial shall not apply to valid claim of a secured party, if such party has:
        a. notified ***us*** of any change in ownership, occupancy or substantial change in risk of which the secured party became aware;
        b. paid any premium due under the policy on demand if ***you*** have not made such payment; and
        c. submitted a signed, sworn proof of loss within 60 days if an ***insured*** has failed to do so.
    Policy conditions relating to Appraisal, Suit Against ***Us*** and Loss Payment apply to the secured party. If the policy is canceled by ***us***, the secured party shall be notified at least 10 days before the date cancellation takes effect.
    If ***we*** pay the secured party for any loss for which ***we*** have denied payment to ***you:***
        a. ***we*** are subrogated to all the rights of the secured party granted under the security agreement; or
        b. at ***our*** option, ***we*** may pay the secured party the remaining amount due on the security agreement plus interest and receive a full assignment of the security agreement and any securities held as collateral for the agreement.
    However, the secured party's interest is not covered for conversion, embezzlement or secretion by an ***insured*** in possession of the encumbered property, unless specifically insured against and premium paid for such.

© 2001 URB®

17. **Mortgage Clause APPLIES ONLY TO COVERAGE ON BUILDINGS** (This entire clause is void unless the name of the mortgagee, or trustee under a trust deed, is inserted in the Declarations. This clause applies only to the mortgagee (or trustee) and does not affect the ***insured's*** rights or duties under this policy.)

Loss, if any, under this policy, shall be payable to the mortgagee (or trustee), named on the Declarations Page of this policy, as interests may appear, under all present or future mortgages upon the property herein described in which the aforesaid may have an interest as mortgagee (or trustee), in order of precedence of said mortgages, and this insurance as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided, also, that the mortgagee (or trustee) shall notify ***us*** of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

We reserve the right to cancel this policy at any time as provided by its ***terms*** but in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for 10 days after notice to the mortgagee (or trustee) of such cancellation and shall then cease, and ***we*** shall have the right, on like notice to cancel this agreement.

Whenever ***we*** shall pay the mortgagee (or trustee) any sum for loss under this policy, and shall claim that, as to the mortgagor or owner, no liability therefore existed, ***we*** shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt; or may at ***our*** option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage, with interest accrued and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claim.

© 2001 URB®