ADDITIONAL SECURED PARTY'S INTEREST COVERAGE

Refer to Supplemental Declarations if information is not shown on this form.
For an additional premium, ***we*** provide coverage ~~under this endorsement~~ subject to the ***terms*** contained in the General Policy Provisions.

COVERAGE

The Secured Party Coverage ~~under this policy~~ is extended to cover the secured party against direct loss ~~sustained~~ by impairment of it's security interest caused by:

1. Collision~~.~~; or
2. Conversion, embezzlement or secretion by an ***insured***.

SPECIAL CONDITIONS

1. **Additional definitions**.
   a. Collision means:
      1) Collision of the ~~mobile~~manufactured home with another object, or with the vehicle to which it is attached~~.~~; or
      2) Upset of ~~such mobile~~the manufactured home.
   b. Conversion, Embezzlement or Secretion includes:
      1) Intentional damage to the ~~mobile~~manufactured home by an ***insured***~~.~~; or
      2) Inability to repossess the ~~mobile~~manufactured home because:
         (a) ***We*** ~~have been~~are unable to locate the ~~mobile~~manufactured home ~~for a period of~~within 30 days after notice of loss, or
         (b) ~~In spite of a~~ Despite a properly perfected security interest, the secured party has been unable to recover the ~~mobile~~manufactured home from a third party to which it has been transferred without consent.
      3) Partial ~~as well as~~or total loss of the ~~mobile~~manufactured home.
   c. Impairment means that ~~as a result of the~~ because of a covered loss, the value of the ~~mobile~~manufactured home is less than the security interest of the secured party.
   d. Outstanding Balance means the balance due on the ~~date of the loss under the~~ finance agreement on the date of loss but not including:
      1) Installments more than 30 days past due ~~at~~on date of loss;
      2) Unearned interest, financing and carrying charges; or
      3) Penalties ~~of any type~~ added after inception of finance agreement.
   e. Date of Loss is the date of repossession, or if the ~~mobile~~ manufactured home is not recovered, 30 days after receipt of the Notice of Loss.
2. **Attachment of Coverage**.
   Coverage ~~under this endorsement~~ attaches as of the date of the endorsement but ~~in no event~~not before the date of perfection of a valid and legally enforceable finance agreement on the ~~mobile~~manufactured home.
3. **Default of Insured**.
   This coverage applies only when the security interest has become impaired and:
   a. The ***insured*** has defaulted ~~in~~on payments due under the finance contract and the secured party has repossessed the ~~mobile~~manufactured home; or
   b. With respect to loss ~~caused~~ by conversion, embezzlement or secretion, the ***insured*** has defaulted ~~in~~on payments due ~~under~~on the finance agreement and the secured party has made ~~every~~ reasonable ~~effort~~efforts to repossess the ~~mobile~~manufactured home.

HOW MUCH *WE* PAY FOR LOSS OR CLAIM

How Much *We* Pay for Loss or Claim is replaced by the following ~~with respect to this coverage only~~.

1. ***Our*** liability ~~under this coverage~~ is limited to the lesser of the following amounts:
   a. The actual cash value of the ~~mobile~~manufactured home less salvage;

b. What it would cost to repair or replace the ~~mobile~~manufactured home with materials of equivalent kind and quality; or
c. The amount of the security interest as represented by the outstanding balance.

2. Where there has been a conversion, embezzlement or secretion of the ~~mobile~~manufactured home and it is found within 60 days after Notice of Loss without any physical damage, ***we*** may pay:
   a. Expenses incurred in locating and recovering the property;
   b. Expenses incurred in transporting the ~~mobile~~manufactured home to the location shown below which is nearest to the point of recovery:
      1) the business address of the secured party;
      2) the address of the selling dealer;
      3) the address of the last owner known to the secured party; or
      4) the address of the ***insured*** shown on the Declarations.
3. ***We*** have the option to:
   a. Pay the loss in money;
   b. Pay the cost of repairing the ~~mobile~~manufactured home; or
   c. Rebuild, repair or replace with property of equivalent kind and quality, to the extent practicable, within a reasonable time.
4. If the secured party's interest has been satisfied by the selling dealer ~~at the time of loss~~ under a repurchase or recourse agreement, ***we*** will settle the loss with the selling dealer in place of the secured party.

WHAT SECURED PARTY MUST DO IN CASE OF LOSS

What *You* Must Do in Case of Loss is replaced by the following ~~with respect to this coverage only~~.

1. **Notice**.
   When the secured party becomes aware ~~of anything that indicates~~ there might be a claim under this coverage ~~he~~, it shall:
   a. Promptly give ***us*** or ***our*** agent written notice;
   b. Send ~~to~~ ***us*** ~~our~~ the records pertaining to the security transaction; and
   c. Notify the police if the loss involves ~~conversion, embezzlement or secretion~~the commission of any crime.
2. **Recovery and Protection of Property**.
   The secured party shall:
   a. Take all reasonable steps to protect the ~~mobile~~manufactured home to avoid further damage; and
   b. Make a reasonable effort to repossess the ~~mobile~~manufactured home.
3. **Proof of Loss**.
   The secured party shall:
   a. Submit a sworn statement of loss within 60 days ~~after date~~ of ~~loss~~***our*** demand containing the following information:
      1) the time, place and circumstances of the loss;
      2) the outstanding balance due under the finance agreement;
      3) other policies of insurance that may cover the loss;
      4) in the case of a partial loss, an inspection report itemizing the loss as of the date of repossession and certified by the person who repossessed the ~~mobile~~manufactured home.
4. **Subrogation**.
   Subrogation is replaced by the following ~~with respect to this coverage only~~:
   We waive ***our*** right to subrogation against the secured party except for actions resulting from fraud by the secured party.
   We waive any right to subrogation against the ***insured*** except actions resulting from fraud, conversion, embezzlement, secretion or other willful wrongdoing by the ***insured***.

ADDITIONAL CONDITIONS

1. The secured party's ~~protection under this~~ coverage is not invalidated by an act or neglect of the ***insured*** or ~~a~~any transfer of title ~~of ownership in~~ to the ~~mobile~~manufactured home which occurs after the ***insured*** has defaulted ~~in~~on payments under the finance agreement.
2. The annual premium charged under this policy for each ~~mobile~~manufactured home is a minimum charge to be retained in full by ***us***. Pro rata cancellation may be allowed when new insurance is written by ***us*** within 30 days covering a different ~~mobile~~manufactured home for the same ***insured***. Pro rata cancellation is allowed when the policy is cancelled at ***our*** request.