

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Filing at a Glance

Company: QBE Insurance Corporation
Product Name: Lender Placed 28
TOI: 28.2 Credit - Personal Property
Sub-TOI: 28.2001 Creditor-Placed Home
Filing Type: Form

SERFF Tr Num: QBEC-126008255 State: WashingtonPC
SERFF Status: Closed State Tr Num: 196772
Co Tr Num: 09-002-048-ML-WA-F State Status: Approved
Co Status: Reviewer(s): LaMar Taylor
Author: Virginia Putzu Disposition Date: 02/24/2009
Date Submitted: 01/27/2009 Disposition Status: Approved
Effective Date Requested (New): 03/01/2009 Effective Date (New): 03/01/2009
Effective Date Requested (Renewal): 03/01/2009 Effective Date (Renewal):

State Filing Description:

General Information

Project Name:
Project Number: 09-002-048-ML-WA-F
Reference Organization: n/a
Reference Title: n/a
Filing Status Changed: 02/24/2009
State Status Changed: 02/24/2009
Corresponding Filing Tracking Number: 09-002-048-ML-WA-R

Status of Filing in Domicile: Pending
Domicile Status Comments:
Reference Number: n/a
Advisory Org. Circular: n/a

Deemer Date:

Filing Description:

Enclosed is the initial form filing for a new insurance program to be written by QBE Insurance Corporation. This insurance program is designed to allow mortgage lenders and servicers to obtain property insurance for real property securing mortgages if the borrower has failed to obtain or maintain insurance as required by the loan agreement.

Company and Contact

Filing Contact Information

Virginia Putzu, Filing Manager
88 Pine Street, 16th Floor

Virginia.Putzu@QBEAmericas.com
(212) 805-9740 [Phone]

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

New York, NY 10005

(212) 805-9809[FAX]

Filing Company Information

QBE Insurance Corporation
88 Pine Street - 16th Floor
New York, NY 10005

CoCode: 39217
Group Code: 796
Group Name: QBE Insurance
Group

State of Domicile: Pennsylvania
Company Type:
State ID Number: 1525

(212) 422-9888 ext. [Phone]

FEIN Number: 22-2311816

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
QBE Insurance Corporation	\$0.00		

State Specific

Is the Project # field populated on the General Information Tab? If no, your filing will be rejected. (yes/no): yes
Form Tab Only - Are the Form # and Form Description fields populated corresponding to the attached form? If no, your filing will be rejected. (yes/no): yes

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	LaMar Taylor	02/24/2009	02/24/2009

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Active	LaMar Taylor	02/05/2009	02/05/2009
Suspense			

Response Letters

Responded By	Created On	Date Submitted
Virginia Putzu	02/20/2009	02/20/2009

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Disposition

Disposition Date: 02/24/2009
Effective Date (New): 03/01/2009
Effective Date (Renewal):
Status: Approved
Comment: RP 1409 Withdrawn

Rate data does NOT apply to filing.

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Item Type	Item Name	Item Status	Public Access
Supporting Document	Filing Memorandum	Approved	Yes
Form (revised)	Blanket Condominium Policy Declarations	Approved	Yes
Form (revised)	Blanket Flood Policy Declarations	Approved	Yes
Form (revised)	Junior Mortgage Blanket Policy Declarations	Approved	Yes
Form	Junior Mortgage Blanket Endorsement - Residential	Approved	Yes
Form (revised)	Flood Master Policy Declarations - Commercial Flood	Approved	Yes
Form (revised)	Additional Named Insured Certificate - Commercial Flood	Approved	Yes
Form	Commercial Flood - Table of Contents	Approved	Yes
Form	Commercial Flood Coverage Form	Approved	Yes
Form	Real Estate Owned (REO) Endorsement	Approved	Yes
Form	CBRA/CHRA Endorsement - Commercial Flood	Approved	Yes
Form (revised)	Hazard Master Policy Declarations - Commercial Property	Approved	Yes
Form (revised)	Additional Named Insured Certificate - Commercial Property	Approved	Yes
Form	Table of Contents	Approved	Yes
Form	Building Coverage Form	Approved	Yes
Form	Real Estate Owned (REO) Endorsement	Approved	Yes
Form (revised)	Special Provisions - Washington	Approved	Yes
Form (revised)	Flood Master Policy Declarations - Residential Flood	Approved	Yes
Form	Additional Named Insured Certificate - Residential Flood	Approved	Yes
Form	Dwelling Flood - Table of Contents	Approved	Yes
Form	Residential Flood Coverage Form	Approved	Yes
Form	Increased Cost of Compliance Endorsement	Approved	Yes
Form	Real Estate Owned (REO) Endorsement	Approved	Yes
	CBRA/CHRA Endorsement - Residential	Approved	Yes

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Form	Flood		
Form (revised)	Special Provisions - Washington	Approved	Yes
Form (revised)	Hazard Master Policy Declarations - Residential Property	Approved	Yes
Form (revised)	Additional Named Insured Certificate- Residential Opt-In	Approved	Yes
Form	Additional Named Insured Certificate- Junior Mortgage	Approved	Yes
Form (revised)	Additional Named Insured Certificate- Residential Wind Only	Approved	Yes
Form	Table of Contents	Approved	Yes
Form	Dwelling Coverage Form	Approved	Yes
Form	Dwelling Windstorm/Hail Coverage Form	Approved	Yes
Form (revised)	(Optional) Personal Property Endorsement including theft	Approved	Yes
Form	(Optional) Additional Living Expense	Approved	Yes
Form (revised)	(Optional) Personal Liability Endorsement	Approved	Yes
Form	Junior Mortgage Endorsement	Approved	Yes
Form (revised)	Additional Financial Interest Endorsement	Withdrawn	No
Form	Condominium Unit Owners Endorsement	Approved	Yes
Form	Real Estate Owned (REO) Endorsement	Approved	Yes
Form	Insured Lender Protection	Approved	Yes
Form (revised)	Special Provisions - Washington	Approved	Yes
Form	Cap on Losses from Certified Acts of Terrorism	Approved	Yes
Form	Policy Signature Page	Approved	Yes
Form	Disclosure Pursuit to Terrorism Risk Insurance Act	Approved	Yes
Form	Special Provisions - Washington	Approved	Yes
Form	Blanket Condominium Policy Declarations	Approved	Yes
Form	Blanket Flood Policy Declarations	Approved	Yes
Form	Junior Mortgage Blanket Policy Declarations	Approved	Yes
Form	Flood Master Policy Declarations -	Approved	Yes

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

	Commercial Flood		
Form	Additional Named Insured Certificate - Commercial Flood	Approved	Yes
Form	Hazard Master Policy Declarations - Commercial Property	Approved	Yes
Form	Additional Named Insured Certificate - Commercial Property	Approved	Yes
Form	Special Provisions - Washington	Approved	Yes
Form	Flood Master Policy Declarations - Residential Flood	Approved	Yes
Form	Special Provisions - Washington	Approved	Yes
Form	Hazard Master Policy Declarations - Residential Property	Approved	Yes
Form	Additional Named Insured Certificate- Residential Opt-In	Approved	Yes
Form	Additional Named Insured Certificate- Residential Wind Only	Approved	Yes
Form	(Optional) Personal Property Endorsement including theft	Approved	Yes
Form	(Optional) Personal Liability Endorsement	Approved	Yes
Form	Additional Financial Interest Endorsement	Approved	Yes
Form	Special Provisions - Washington	Approved	Yes

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Objection Letter

Objection Letter Status Active Suspense
Objection Letter Date 02/05/2009
Submitted Date 02/05/2009
Respond By Date 04/04/2009

Dear Virginia Putzu,

DISAPPROVAL DATE: April 4, 2009

We have completed our review of the forms you filed on January 27, 2009 in SERFF. The forms specified below are disapproved under RCW 48.01.030 and 48.18.110(1)(a) and (c). These forms are deemed no longer effective after the DISAPPROVAL DATE. Please respond to the following:

Objection 1

- Blanket Condominium Policy Declarations (Form)
- Junior Mortgage Blanket Policy Declarations (Form)
- Flood Master Policy Declarations - Commercial Flood (Form)
- Additional Named Insured Certificate - Commercial Flood (Form)
- Commercial Flood Coverage Form (Form)
- Hazard Master Policy Declarations - Commercial Property (Form)
- Special Provisions - Washington (Form)
- Flood Master Policy Declarations - Residential Flood (Form)
- Dwelling Flood - Table of Contents (Form)
- Residential Flood Coverage Form (Form)
- Additional Named Insured Certificate-Residential Opt-In (Form)

Comment:

Forms BC1001, BF1001, BP1001, CF1001, CP1001, RF1001, RP1001: This provision does not comply with RCW 48.18.300(1), which states that the insured must give notice to the insurer "prior to or on the effective date of such cancellation." As explained in Technical Assistance Advisory T98-5, the insurer may not require more advance notice than the law requires.

Forms RP1150, RP1102, CP1101, CF1101: Our laws do not allow an insurer to cancel the policy by giving notice to the first named insured. RCW 48.18.290(1)(b) says that you must give notice of cancellation to any other person shown by the policy to have an interest in any loss which may occur thereunder. Therefore, you must give notice to all additional named or other named insureds in the contract.

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Form CF1211 section 4. Concealment of Fraud: This condition does not comply with RCW 48.18.090(1). You cannot void coverage unless the insured makes false statements with the intent to deceive.

Section 12. Loss Payment: We believe the 60 day time limit for payment of loss to be unreasonable to your insureds. WAC 284-30-330(16) requires, if no other time limit is specified in the contract, that claims be paid within 15 business days after settlement has been reached. The maximum number of days that we will allow contracts to specify is 30 days (but not 30 business days).

Section 14. Our Rights: This condition does not comply with Washington case law as described in Bulletin 79-4. This Bulletin is based upon Thiringer v. American Motors Ins. Co., 91 Wn. 2d 215. The Supreme Court stated the insured is entitled to complete reimbursement for loss before the company is entitled to subrogation proceeds.

Section 18. Cancellation (c): RCW 48.18.290(1)(a) says that an insurer must provide at least forty-five days notice of cancellation, including the actual reason for cancellation, to the named insured. If the cancellation results from non-payment of premium, the insurer must provide at least ten days notice of cancellation. RCW 48.18.290(1)(b) says the insurer must send like notice of cancellation to each loss payee or other person shown by the policy to have an interest in any loss which may occur thereunder.

Form RF1211: This condition is ambiguous and in violation of RCW 48.18.110(1)(c). You provide that you will pay replacement cost without deduction for depreciation. This language is not explicit enough and needs to be defined in more detail. The usual definition for replacement cost used in this state would require you to repair or replace with "new" material or property of like kind and quality. Replacement cost, as used in your form, could be construed to mean that if a 1998 television were destroyed, it would be replaced with a 1998 television of like kind and quality. However, the insured should get a current year model of like kind and quality.

Form RP1210: This condition does not comply with RCW 48.18.090(1). You cannot void coverage unless the insured makes false statements with the intent to deceive.

This condition is ambiguous and in violation of RCW 48.18.110(1)(c). You provide that you will pay replacement cost without deduction for depreciation. This language is not explicit enough and needs to be defined in more detail. The usual definition for replacement cost used in this state would require you to repair or replace with "new" material or property of like kind and quality. Replacement cost, as used in your form, could be construed to mean that if a 1998 television were destroyed, it would be replaced with a 1998 television of like kind and quality. However, the insured should get a current year model of like kind and quality.

We believe the 60 day time limit for payment of loss to be unreasonable to your insureds. WAC 284-30-330(16) requires, if no other time limit is specified in the contract, that claims be paid within 15 business days after settlement has been reached. The maximum number of days that we will allow contracts to specify is 30 days (but not 30 business

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F
days).

Form RP1401: This condition violates RCW 48.18.110(1)(c). In Washington state, the phrase “not subject to motor vehicle registration” is ambiguous and misleading due to our motor vehicle licensing and registration laws. Washington law distinguishes between motor vehicle registration and motor vehicle licensing. There are many recreational type vehicles in the State of Washington, which are not subject to licensing unless they are used on public roadways. These vehicles are often subject to motor vehicle registration. For example, snowmobiles [RCW 46.10.020 and .030], mopeds [RCW 46.16.630] and wheelchair conveyances [RCW 46.16.640] must be registered, as must other off-road type vehicles that require permits for operation. You are eliminating many types of vehicles from coverage. If you change the word “registration” to “licensing”, or make other changes that clearly identify the types of vehicles that are covered under the policy, your condition will be acceptable.

RP1405: This condition does not comply with the decisions under Viking Insurance Co. v. Hill, 57 Wn. App. 341; 787 P.2d 1385 and Farmers Ins. v. Romas, 88 Wn. App. 801; 947 P.2d 754. First, the duty to defend is broader than the duty to indemnify, and is antecedent to and independent of the duty to indemnify. Second, the duty to defend is not limited to issues pertaining to the amount of damages, but included allegations of fault and liability. As a result, the duty to defend does not end if the insurer unilaterally pays the policy limits. The insurer must reach a judgment or settlement with the injured party or obtain the permission of the insured.

This condition violates RCW 48.18.110(1)(c). In Washington state, the phrase “not subject to motor vehicle registration” is ambiguous and misleading due to our motor vehicle licensing and registration laws. Washington law distinguishes between motor vehicle registration and motor vehicle licensing. There are many recreational type vehicles in the State of Washington, which are not subject to licensing unless they are used on public roadways. These vehicles are often subject to motor vehicle registration. For example, snowmobiles [RCW 46.10.020 and .030], mopeds [RCW 46.16.630] and wheelchair conveyances [RCW 46.16.640] must be registered, as must other off-road type vehicles that require permits for operation. You are eliminating many types of vehicles from coverage. If you change the word “registration” to “licensing”, or make other changes that clearly identify the types of vehicles that are covered under the policy, your condition will be acceptable.

Form RP1546: Perils Insured Against, this paragraph should read the same as paragraph 1 of the General Exclusions. Number 13. Loss Payment should be number 12. Also, under Exclusions the first sentence refers to the wrong exclusion. Lastly, Exclusion 1. i. should be corrected to 1. j.

Form CP1546 under Exclusions correct number 4.d. There is no 4. d.

Form RF1546: Here you need to add “Commercial” to this form.

Form RP1409: Withdrawn the correct language is in Form RF1546

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Those forms not specifically disapproved are considered approved effective March 1, 2009.

All revisions to disapproved "use and file" forms must be submitted with either a new form number or a new edition date.

Also, under RCW 48.18.103(5), policies issued or amended with forms that are subsequently disapproved must be corrected effective the inception date of coverage.

Upon receipt of your response, we will reconsider the disapproved forms. If we do not receive a reply by the DISAPPROVAL DATE shown above, your filing will be closed, and any form that has been disapproved will be reconsidered only if you submit a new filing.

Sincerely,

LaMar Taylor, JD, MSEL, MLS, BS
Insurance Policy & Compliance Analyst
(360) 725-7139
LaMarT@oic.wa.gov
Sincerely,
LaMar Taylor

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/20/2009
Submitted Date	02/20/2009

Dear LaMar Taylor,

Comments:

Thank you for your letter of February 5, 2009. We offer the following response to your concerns:

Response 1

Comments: 1. Forms BC1001, BF1001, BP1001, CF1001, CP1001, RF1001, RP1001: This provision does not comply with RCW 48.18.300(1), which states that the insured must give notice to the insurer "prior to or on the effective date of such cancellation." As explained in Technical Assistance Advisory T98-5, the insurer may not require more advance notice than the law requires.

We have revised the referenced forms to comply with Washington regulations. Attached are the revised forms including

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

the new form number:

BC1001 0109 replaced by BC1046 0209
BF1001 0109 replaced by BF1046 0209
BP1001 0109 replaced by BP1046 0209
CF1001 0109 replaced by CF1046 0209
CP1001 0109 replaced by CP1046 0209
RF1001 0109 replaced by RF1046 0209
RP1001 0109 replaced by RP1046 0209

2. Forms RP1150, RP1102, CP1101, CF1101: Our laws do not allow an insurer to cancel the policy by giving notice to the first named insured. RCW 48.18.290(1)(b) says that you must give notice of cancellation to any other person shown by the policy to have an interest in any loss which may occur thereunder. Therefore, you must give notice to all additional named or other named insureds in the contract.

We have revised the referenced forms to comply with Washington regulations. Attached are the revised forms including the new form number. The replacement forms are as indicated:

RP1150 is replaced by RP1151 0209
RP1102 is replaced by RP1156 0209
CP1101 is replaced by CP1146 0209
CF1101 is replaced by CF1146 0209

3. Form CF1211 section 4. Concealment of Fraud: This condition does not comply with RCW 48.18.090(1). You cannot void coverage unless the insured makes false statements with the intent to deceive.

Please see new Commercial Flood Special Provisions-Washington Form (attached) CF1546 0209.

4. Section 12. Loss Payment: We believe the 60 day time limit for payment of loss to be unreasonable to your insureds. WAC 284-30-330(16) requires, if no other time limit is specified in the contract, that claims be paid within 15 business days after settlement has been reached. The maximum number of days that we will allow contracts to specify is 30 days (but not 30 business days).

Please see new Commercial Flood Special Provisions-Washington Form (attached) CF1546 0209.

5. Section 14. Our Rights: This condition does not comply with Washington case law as described in Bulletin 79-4. This Bulletin is based upon Thiringer v. American Motors Ins. Co., 91 Wn. 2d 215. The Supreme Court stated the insured is entitled to complete reimbursement for loss before the company is entitled to subrogation proceeds.

Please see new Commercial Flood Special Provisions-Washington Form (attached) CF1546 0209.

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

6. Section 18. Cancellation (c): RCW 48.18.290(1)(a) says that an insurer must provide at least forty-five days notice of cancellation, including the actual reason for cancellation, to the named insured. If the cancellation results from non-payment of premium, the insurer must provide at least ten days notice of cancellation. RCW 48.18.290(1)(b) says the insurer must send like notice of cancellation to each loss payee or other person shown by the policy to have an interest in any loss which may occur thereunder.

Please see new Commercial Flood Special Provisions-Washington Form (attached) CF1546 0209.

7. Form RF1211: This condition is ambiguous and in violation of RCW 48.18.110(1)(c). You provide that you will pay replacement cost without deduction for depreciation. This language is not explicit enough and needs to be defined in more detail. The usual definition for replacement cost used in this state would require you to repair or replace with "new" material or property of like kind and quality. Replacement cost, as used in your form, could be construed to mean that if a 1998 television were destroyed, it would be replaced with a 1998 television of like kind and quality. However, the insured should get a current year model of like kind and quality.

Please see revised RF1546 0209 (revised edition date) Section 6 for revision to form to comply with Washington statute.

8. Form RP1210: This condition does not comply with RCW 48.18.090(1). You cannot void coverage unless the insured makes false statements with the intent to deceive.

Form RP1546 0209 has been expanded to revise the Dwelling Windstorm/Hail Coverage Form to comply with the "Concealment or Fraud" provisions of the Washington statute.

9. This condition is ambiguous and in violation of RCW 48.18.110(1)(c). You provide that you will pay replacement cost without deduction for depreciation. This language is not explicit enough and needs to be defined in more detail. The usual definition for replacement cost used in this state would require you to repair or replace with "new" material or property of like kind and quality. Replacement cost, as used in your form, could be construed to mean that if a 1998 television were destroyed, it would be replaced with a 1998 television of like kind and quality. However, the insured should get a current year model of like kind and quality.

Form RP1546 0209 has been expanded to revise the Dwelling Windstorm/Hail Coverage Form to comply with the Washington regulation that the replacement cost be defined to make sure that it considers replacement with property of like kind and quality. Additional definitions for ACV and Replacement Value have been added to the policy.

10. We believe the 60 day time limit for payment of loss to be unreasonable to your insureds. WAC 284-30-330(16) requires, if no other time limit is specified in the contract, that claims be paid within 15 business days after settlement

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

has been reached. The maximum number of days that we will allow contracts to specify is 30 days (but not 30 business days).

Form RP1546 0209 has been expanded to revise the Dwelling Windstorm/Hail Coverage Form to comply with the Loss Payment provisions of the Washington regulation.

11. Form RP1401: This condition violates RCW 48.18.110(1)(c). In Washington state, the phrase “not subject to motor vehicle registration” is ambiguous and misleading due to our motor vehicle licensing and registration laws. Washington law distinguishes between motor vehicle registration and motor vehicle licensing. There are many recreational type vehicles in the State of Washington, which are not subject to licensing unless they are used on public roadways. These vehicles are often subject to motor vehicle registration. For example, snowmobiles [RCW 46.10.020 and .030], mopeds [RCW 46.16.630] and wheelchair conveyances [RCW 46.16.640] must be registered, as must other off-road type vehicles that require permits for operation. You are eliminating many types of vehicles from coverage. If you change the word “registration” to “licensing”, or make other changes that clearly identify the types of vehicles that are covered under the policy, your condition will be acceptable.

Form RP1401 0109 has been replaced with RP1446 0209 to comply with Washington statutes. The term “registration” has been revised to “licensing”.

12. RP1405: This condition does not comply with the decisions under Viking Insurance Co. v. Hill, 57 Wn. App. 341; 787 P.2d 1385 and Farmers Ins. v. Romas, 88 Wn. App. 801; 947 P.2d 754. First, the duty to defend is broader than the duty to indemnify, and is antecedent to and independent of the duty to indemnify. Second, the duty to defend is not limited to issues pertaining to the amount of damages, but included allegations of fault and liability. As a result, the duty to defend does not end if the insurer unilaterally pays the policy limits. The insurer must reach a judgment or settlement with the injured party or obtain the permission of the insured.

Form RP1405 0109 has been replaced with RP1456 0209 to comply with Washington statutes in regard to duty to defend.

13. This condition violates RCW 48.18.110(1)(c). In Washington state, the phrase “not subject to motor vehicle registration” is ambiguous and misleading due to our motor vehicle licensing and registration laws. Washington law distinguishes between motor vehicle registration and motor vehicle licensing. There are many recreational type vehicles in the State of Washington, which are not subject to licensing unless they are used on public roadways. These vehicles are often subject to motor vehicle registration. For example, snowmobiles [RCW 46.10.020 and .030], mopeds [RCW 46.16.630] and wheelchair conveyances [RCW 46.16.640] must be registered, as must other off-road type vehicles that require permits for operation. You are eliminating many types of vehicles from coverage. If you change the word “registration” to “licensing”, or make other changes that clearly identify the types of vehicles that are covered under the policy, your condition will be acceptable.

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Form RP1405 0109 has been replaced with RP1456 0209 to comply with Washington statutes. The term "registration" has been revised to "licensing".

14. Form RP1546: Perils Insured Against, this paragraph should read the same as paragraph 1 of the General Exclusions. Number 13. Loss Payment should be number 12. Also, under Exclusions the first sentence refers to the wrong exclusion. Lastly, Exclusion 1. i. should be corrected to 1. j.

Revised RP1546 0209 has been submitted with requested revisions.

15. Form CP1546 under Exclusions correct number 4.d. There is no 4. d.

Revised CP1546 0209 has been submitted with requested revisions.

16. Form RF1546: Here you need to add "Commercial" to this form.

Although revisions have been made to RF1546 and the form number has been revised to RF1546 0209, this form is a residential form and has not been revised to reflect commercial.

17. Form RP1409: Withdrawn the correct language is in Form RF1546

Please withdraw this form.

Related Objection 1

Applies To:

- Blanket Condominium Policy Declarations (Form)
- Junior Mortgage Blanket Policy Declarations (Form)
- Flood Master Policy Declarations - Commercial Flood (Form)
- Additional Named Insured Certificate - Commercial Flood (Form)
- Commercial Flood Coverage Form (Form)
- Hazard Master Policy Declarations - Commercial Property (Form)
- Special Provisions - Washington (Form)
- Flood Master Policy Declarations - Residential Flood (Form)
- Dwelling Flood - Table of Contents (Form)
- Residential Flood Coverage Form (Form)
- Additional Named Insured Certificate-Residential Opt-In (Form)

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Comment:

Forms BC1001, BF1001, BP1001, CF1001, CP1001, RF1001, RP1001: This provision does not comply with RCW 48.18.300(1), which states that the insured must give notice to the insurer "prior to or on the effective date of such cancellation." As explained in Technical Assistance Advisory T98-5, the insurer may not require more advance notice than the law requires.

Forms RP1150, RP1102, CP1101, CF1101: Our laws do not allow an insurer to cancel the policy by giving notice to the first named insured. RCW 48.18.290(1)(b) says that you must give notice of cancellation to any other person shown by the policy to have an interest in any loss which may occur thereunder. Therefore, you must give notice to all additional named or other named insureds in the contract.

Form CF1211 section 4. Concealment of Fraud: This condition does not comply with RCW 48.18.090(1). You cannot void coverage unless the insured makes false statements with the intent to deceive.

Section 12. Loss Payment: We believe the 60 day time limit for payment of loss to be unreasonable to your insureds. WAC 284-30-330(16) requires, if no other time limit is specified in the contract, that claims be paid within 15 business days after settlement has been reached. The maximum number of days that we will allow contracts to specify is 30 days (but not 30 business days).

Section 14. Our Rights: This condition does not comply with Washington case law as described in Bulletin 79-4. This Bulletin is based upon Thiringer v. American Motors Ins. Co., 91 Wn. 2d 215. The Supreme Court stated the insured is entitled to complete reimbursement for loss before the company is entitled to subrogation proceeds.

Section 18. Cancellation (c): RCW 48.18.290(1)(a) says that an insurer must provide at least forty-five days notice of cancellation, including the actual reason for cancellation, to the named insured. If the cancellation results from non-payment of premium, the insurer must provide at least ten days notice of cancellation. RCW 48.18.290(1)(b) says the insurer must send like notice of cancellation to each loss payee or other person shown by the policy to have an interest in any loss which may occur thereunder.

Form RF1211: This condition is ambiguous and in violation of RCW 48.18.110(1)(c). You provide that you will pay replacement cost without deduction for depreciation. This language is not explicit enough and needs to be defined in more detail. The usual definition for replacement cost used in this state would require you to repair or replace with "new" material or property of like kind and quality. Replacement cost, as used in your form, could be construed to mean that if a 1998 television were destroyed, it would be replaced with a 1998 television of like kind and quality. However, the insured should get a current year model of like kind and quality.

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Form RP1210: This condition does not comply with RCW 48.18.090(1). You cannot void coverage unless the insured makes false statements with the intent to deceive.

This condition is ambiguous and in violation of RCW 48.18.110(1)(c). You provide that you will pay replacement cost without deduction for depreciation. This language is not explicit enough and needs to be defined in more detail. The usual definition for replacement cost used in this state would require you to repair or replace with "new" material or property of like kind and quality. Replacement cost, as used in your form, could be construed to mean that if a 1998 television were destroyed, it would be replaced with a 1998 television of like kind and quality. However, the insured should get a current year model of like kind and quality.

We believe the 60 day time limit for payment of loss to be unreasonable to your insureds. WAC 284-30-330(16) requires, if no other time limit is specified in the contract, that claims be paid within 15 business days after settlement has been reached. The maximum number of days that we will allow contracts to specify is 30 days (but not 30 business days).

Form RP1401: This condition violates RCW 48.18.110(1)(c). In Washington state, the phrase "not subject to motor vehicle registration" is ambiguous and misleading due to our motor vehicle licensing and registration laws. Washington law distinguishes between motor vehicle registration and motor vehicle licensing. There are many recreational type vehicles in the State of Washington, which are not subject to licensing unless they are used on public roadways. These vehicles are often subject to motor vehicle registration. For example, snowmobiles [RCW 46.10.020 and .030], mopeds [RCW 46.16.630] and wheelchair conveyances [RCW 46.16.640] must be registered, as must other off-road type vehicles that require permits for operation. You are eliminating many types of vehicles from coverage. If you change the word "registration" to "licensing", or make other changes that clearly identify the types of vehicles that are covered under the policy, your condition will be acceptable.

RP1405: This condition does not comply with the decisions under Viking Insurance Co. v. Hill, 57 Wn. App. 341; 787 P.2d 1385 and Farmers Ins. v. Romas, 88 Wn. App. 801; 947 P.2d 754. First, the duty to defend is broader than the duty to indemnify, and is antecedent to and independent of the duty to indemnify. Second, the duty to defend is not limited to issues pertaining to the amount of damages, but included allegations of fault and liability. As a result, the duty to defend does not end if the insurer unilaterally pays the policy limits. The insurer must reach a judgment or settlement with the injured party or obtain the permission of the insured.

This condition violates RCW 48.18.110(1)(c). In Washington state, the phrase "not subject to motor vehicle registration" is ambiguous and misleading due to our motor vehicle licensing and registration laws. Washington law distinguishes between motor vehicle registration and motor vehicle licensing. There are many recreational type vehicles in the State of Washington, which are not subject to licensing unless they are used on public roadways. These vehicles are often subject to motor vehicle registration. For example, snowmobiles [RCW 46.10.020 and .030], mopeds [RCW 46.16.630] and wheelchair conveyances [RCW 46.16.640] must be

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

registered, as must other off-road type vehicles that require permits for operation. You are eliminating many types of vehicles from coverage. If you change the word "registration" to "licensing", or make other changes that clearly identify the types of vehicles that are covered under the policy, your condition will be acceptable.

Form RP1546: Perils Insured Against, this paragraph should read the same as paragraph 1 of the General Exclusions. Number 13. Loss Payment should be number 12. Also, under Exclusions the first sentence refers to the wrong exclusion. Lastly, Exclusion 1. i. should be corrected to 1. j.

Form CP1546 under Exclusions correct number 4.d. There is no 4. d.

Form RF1546: Here you need to add "Commercial" to this form.

Form RP1409: Withdrawn the correct language is in Form RF1546

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Blanket Condominium Policy Declarations	BC1046	0209	Declarations/Schedule	New		0	BC1046-BlanketCondoPolicyDec.pdf
Previous Version							
Blanket Condominium Policy Declarations	BC1001	0109	Declarations/Schedule	New		0	BC1001-BlanketCondoPolicyDec.pdf
Blanket Flood Policy Declarations	BF1046	0209	Declarations/Schedule	New		0	BF1046-Flood-BiktDecl-

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Res.pdf

Previous Version

Blanket Flood Policy BF1001 0109 Declarations/Schedule New 0 BF1001-
 Declarations Flood-Blkt
 Decl-
 Res.pdf

Junior Mortgage BP1046 0209 Declarations/Schedule New 0 BP1046-
 Blanket Policy Jr.MortBlkt
 Declarations Dec-
 Res.pdf

Previous Version

Junior Mortgage BP1001 0109 Declarations/Schedule New 0 BP1001-
 Blanket Policy Jr.Mort
 Declarations Blkt Decl-
 Res.pdf

Flood Master Policy CF1046 0209 Policy/Coverage Form New 0 CF1046-
 Declarations - FloodMast
 Commercial Flood PolCecl-
 Comm.pdf

Previous Version

Flood Master Policy CF1001 0109 Policy/Coverage Form New 0 CF1001-
 Declarations - Flood
 Commercial Flood Mast Pol
 Decl-
 Comm.pdf

Additional Named CF1146 0209 Certificate New 0 CF1146-
 Insured Certificate - Flood
 Commercial Flood Addn
 Insd-
 Comm.pdf

Previous Version

Additional Named CF1101 0109 Certificate New 0 CF1101-
 Insured Certificate - Flood
 Commercial Flood Addn
 Insd-

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Hazard Master Policy CP1046 0209 Policy/Coverage Form New 0 CP1046-
 Declarations - MastPolID
 Commercial Property ecl-
 Comm.pdf

Previous Version

Hazard Master Policy CP1001 0109 Policy/Coverage Form New 0 CP1001-
 Declarations - Mast Pol
 Commercial Property Decl-
 Comm.pdf

Additional Named CP1146 0209 Certificate New 0 CP1146-
 Insured Certificate - Addn
 Commercial Property Insd-
 Comm.pdf

Previous Version

Additional Named CP1101 0109 Certificate New 0 CP1101-
 Insured Certificate - Addn
 Commercial Property Insd-
 Comm.pdf

Special Provisions - CP1546 0209 Endorsement/AmendmentNew 0 CP1546-
 Washington /Conditions WA
 Amendato
 ry.pdf

Previous Version

Special Provisions - CP1546 0109 Endorsement/AmendmentNew 0 CP1546-
 Washington /Conditions WA
 Amendato
 ry.pdf

Flood Master Policy RF1046 0209 Declarations/Schedule New 0 RF1046-
 Declarations - FloodMast
 Residential Flood PolDecl-
 Res.pdf

Previous Version

Flood Master Policy RF1001 0109 Declarations/Schedule New 0 RF1001-
 Declarations - Flood

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

							Mast Pol Decl- Res.pdf
Special Provisions - Washington	RF1546	0209	Endorsement/Amendment /Conditions	New	0		RF1546- WA Amendato ry.pdf
Previous Version							
Special Provisions - Washington	RF1546	0109	Endorsement/Amendment /Conditions	New	0		RF1546- WA Amendato ry.pdf
Hazard Master Policy Declarations - Residential Property	RP1046	0209	Declarations/Schedule	New	0		RP1046- MastPolD ecl- Res.pdf
Previous Version							
Hazard Master Policy Declarations - Residential Property	RP1001	0109	Declarations/Schedule	New	0		RP1001- Mast Pol Decl- Res.pdf
Additional Named Insured Certificate- Residential Opt-In	RP1156	0209	Certificate	New	0		RP1156- Residentia l Hazard Addn Insd.pdf
Previous Version							
Additional Named Insured Certificate- Residential Opt-In	RP1102	0109	Certificate	New	0		RP1102- Residentia l Hazard Addn Insd.pdf
Additional Named Insured Certificate- Residential Wind Only	RP1151	0209	Certificate	New	0		RP1151- Add Named

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Ins Cert-
Wind
only.pdf

Previous Version

Additional Named Insured Certificate-Residential Wind Only	RP1150	0109	Certificate	New	0	RP1150 Add Named Ins Cert - Wind Only.pdf
(Optional) Personal Property Endorsement including theft	RP1446	0209	Endorsement/Amendment/Conditions	New	0	RP1446-Pers Property End.pdf

Previous Version

(Optional) Personal Property Endorsement including theft	RP1401	0109	Endorsement/Amendment/Conditions	New	0	RP1401-Personal Property-Incl Theft.pdf
--	--------	------	----------------------------------	-----	---	---

(Optional) Personal Liability Endorsement	RP1456	0209	Endorsement/Amendment/Conditions	New	0	RP1456-Pers Liab-Broad.pdf
---	--------	------	----------------------------------	-----	---	----------------------------

Previous Version

(Optional) Personal Liability Endorsement	RP1405	0109	Endorsement/Amendment/Conditions	New	0	RP1405-Pers Liab-Broad.pdf
---	--------	------	----------------------------------	-----	---	----------------------------

Additional Financial Interest Endorsement	RP1409	0109	Endorsement/Amendment/Conditions	New	0	
---	--------	------	----------------------------------	-----	---	--

Previous Version

Additional Financial Interest Endorsement	RP1409	0109	Endorsement/Amendment/Conditions	New	0	RP1409N-Fin Interests End..pdf
---	--------	------	----------------------------------	-----	---	--------------------------------

Special Provisions -	RP1546	0209	Endorsement/Amendment	New	0	RP1546-
----------------------	--------	------	-----------------------	-----	---	---------

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Washington /Conditions WA
 Amendato
 ry.pdf

Previous Version

Special Provisions - Washington	RP1546 0109	Endorsement/AmendmentNew /Conditions	0	RP1546-WA Amendato ry.pdf
Special Provisions - Washington	CF1526 0209	Endorsement/AmendmentNew /Conditions		CF1546-WA Amendato ry.pdf

SERFF Tracking Number: *QBEC-126008255* *State:* *Washington*
Filing Company: *QBE Insurance Corporation* *State Tracking Number:* *196772*
Company Tracking Number: *09-002-048-ML-WA-F*
TOI: *28.2 Credit - Personal Property* *Sub-TOI:* *28.2001 Creditor-Placed Home*
Product Name: *Lender Placed 28*
Project Name/Number: */09-002-048-ML-WA-F*

No Rate/Rule Schedule items changed.

Should you have any additional concerns, please do not hesitate to contact me.

Sincerely,
Virginia Putzu

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Blanket Condominium Policy Declarations	BC1046	0209	Declaration News/Schedule		0.00	BC1046-BlanketCondoPolicyDec.pdf
Approved	Blanket Flood Policy Declarations	BF1046	0209	Declaration News/Schedule		0.00	BF1046-Flood-BlktDecl-Res.pdf
Approved	Junior Mortgage Blanket Policy Declarations	BP1046	0209	Declaration News/Schedule		0.00	BP1046-Jr.MortBlktDec-Res.pdf
Approved	Junior Mortgage Blanket Endorsement - Residential	BP1002	0109	Declaration News/Schedule		0.00	BP1002-Jr.Mort-BlktEnd..pdf
Approved	Flood Master Policy Declarations - Commercial Flood	CF1046	0209	Policy/Coverage New Form		0.00	CF1046-FloodMastPolCecl-Comm.pdf
Approved	Additional Named Insured Certificate - Commercial Flood	CF1146	0209	Certificate New		0.00	CF1146-Flood Addn Insd-Comm.pdf
Approved	Commercial Flood - Table of Contents	CF1200	0109	Endorsement New/Amendment/Conditions		0.00	CF1200-Table of Contents.pdf
Approved	Commercial Flood Coverage Form	CF1211	0109	Endorsement New/Amendment/Conditions		0.00	CF1211-WA Flood-Cov Form-Comm.pdf

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Approved	Real Estate Owned (REO) Endorsement	CF1402	0109	Endorsement/Amendment/Conditions	New	0.00	CF1402-Flood REO Endorsement-Comm.pdf
Approved	CBRA/CHRA Endorsement - Commercial Flood	CF1403	0109	Endorsement/Amendment/Conditions	New	0.00	CF1403-Flood CBRA CHRA Endorsement-Comm.pdf
Approved	Hazard Master Policy Declarations - Commercial Property	CP1046	0209	Policy/Coverage Form	New	0.00	CP1046-MastPolDecl-Comm.pdf
Approved	Additional Named Insured Certificate - Commercial Property	CP1146	0209	Certificate	New	0.00	CP1146-Addn Insd-Comm.pdf
Approved	Table of Contents	CP1200	0109	Endorsement/Amendment/Conditions	New	0.00	CP1200-Table of Contents.pdf
Approved	Building Coverage Form	CP1211	0109	Policy/Coverage Form	New	0.00	CP1211-WA Comm Coverage Form.pdf
Approved	Real Estate Owned (REO) Endorsement	CP1480	0109	Endorsement/Amendment/Conditions	New	0.00	CP1480-Real Estate Owned (REO) Endorsement.pdf
Approved	Special Provisions - Washington	CP1546	0209	Endorsement/Amendment/Conditions	New	0.00	CP1546-WA Amendatory.pdf
Approved	Flood Master	RF1046	0209	Declaration	New	0.00	RF1046-

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

	Policy			s/Schedule			FloodMastP olDecl- Res.pdf
Approved	Additional Named Insured Certificate - Residential Flood	RF1101	0109	Certificate New		0.00	RF1101- Flood Addn Insd-Res.pdf
Approved	Dwelling Flood - Table of Contents	RF1200	0109	Disclosure/ New Notice		0.00	RF1200- Table of Contents.pdf
Approved	Residential Flood Coverage Form	RF1211	0109	Policy/Cove New rage Form		0.00	RF1211-WA Flood-Cov Form- Res.pdf
Approved	Increased Cost of Compliance Endorsement	RF1401	0109	Endorseme New nt/ Amendm ent/ Condi tions		0.00	RF1401- Incr.Cost.pdf
Approved	Real Estate Owned (REO) Endorsement	RF1402	0109	Endorseme New nt/ Amendm ent/ Condi tions		0.00	RF1402- Flood REO Endorsemen t-Res.pdf
Approved	CBRA/CHRA Endorsement - Residential Flood	RF1403	0109	Endorseme New nt/ Amendm ent/ Condi tions		0.00	RF1403- Flood CBRA CHRA Endorsemen t-Res.pdf
Approved	Special Provisions - Washington	RF1546	0209	Endorseme New nt/ Amendm ent/ Condi tions		0.00	RF1546-WA Amendatory. pdf
Approved	Hazard Master Policy Declarations - Residential Property	RP1046	0209	Declaration New s/ Schedule		0.00	RP1046- MastPolDecl -Res.pdf
Approved	Additional Named	RP1156	0209	Certificate New		0.00	RP1156-

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

	Insured Certificate- Residential Opt- In						Residential Hazard Addn Insd.pdf
Approved	Additional Named Insured Certificate-Junior Mortgage	RP1110	0109	Certificate New		0.00	RP1110- JrMort Decl- Res.pdf
Approved	Additional Named Insured Certificate- Residential Wind Only	RP1151	0209	Certificate New		0.00	RP1151-Add Named Ins Cert-Wind only.pdf
Approved	Table of Contents	RP1200	0109	Disclosure/ New Notice		0.00	RP1200- Table of Contents.pdf
Approved	Dwelling Coverage Form	RP1211	0109	Policy/CoveNew rage Form		0.00	RP1211-WA Hazard Cov Form.pdf
Approved	Dwelling Windstorm/Hail Coverage Form	RP1210	0109	Policy/CoveNew rage Form		0.00	RP1210- Wind Deficiency.p df
Approved	(Optional) Personal Property Endorsement including theft	RP1446	0209	Endorseme New nt/Amendm ent/Condi ons		0.00	RP1446- Pers Property End.pdf
Approved	(Optional) Additional Living Expense	RP1403	0109	Endorseme New nt/Amendm ent/Condi ons		0.00	RP1403- Addn Living Exp.pdf
Approved	(Optional) Personal Liability Endorsement	RP1456	0209	Endorseme New nt/Amendm ent/Condi ons		0.00	RP1456- Pers Liab- Broad.pdf
Approved	Junior Mortgage Endorsement	RP1408	0109	Endorseme New nt/Amendm		0.00	RP1408- Jr.Mort

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Withdrawn	Additional	RP	0109	ent/Condi tions	0.00	End..pdf
	Financial Interest Endorsement	RP1409	0109	Endorseme New nt/Amendm ent/Condi tions	0.00	
Approved	Condominium Unit Owners Endorsement	RP1410	0109	Endorseme New nt/Amendm ent/Condi tions	0.00	RP1410- Condo End.pdf
Approved	Real Estate Owned (REO) Endorsement	RP1480	0109	Endorseme New nt/Amendm ent/Condi tions	0.00	RP1480- Real Estate Owned (REO) Endorsemen t.pdf
Approved	Insured Lender Protection	RP1490	0109	Endorseme New nt/Amendm ent/Condi tions	0.00	RP1490 Insured Lender Protection.p df
Approved	Special Provisions - Washington	RP1546	0209	Endorseme New nt/Amendm ent/Condi tions	0.00	RP1546-WA Amendatory. pdf
Approved	Cap on Losses from Certified Acts of Terrorism	IL1401	0109	Endorseme New nt/Amendm ent/Condi tions	0.00	IL1401 Terrorism Cap.pdf
Approved	Policy Signature Page	IL1701	0109	Other New	0.00	IL1701 Signature Page.pdf
Approved	Disclosure Pursuit to Terrorism Risk Insurance Act	IL1705	0109	Endorseme New nt/Amendm ent/Condi tions	0.00	IL1705 Disc Pursuant to TRIA - \$0.pdf
Approved	Special Provisions -	CF1526	0209	Endorseme New nt/Amendm		CF1546-WA Amendatory.

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Washington

ent/Condi
ons

pdf

Blanket Condominium Policy Declarations

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

	Maximum Amount Per Loss Occurrence	Annual Rate per loan	Deposit Premium
POLICY NUMBER	\$ _____	\$ _____	\$ _____
POLICY PERIOD: FROM 12:01 a.m. Standard Time at the Address of the Named Insured Mortgagee, until canceled.	Deductible - per loss occurrence Property is VACANT at time of loss \$ Vandalism & Malicious Mischief \$ All Other Covered Losses \$		
ELIGIBLE REAL ESTATE: The Dwelling Coverage Form is extended to include Condominiums as defined below: DEFINITION OF CONDOMINIUM:. A condominium is a method of realty ownership in which there is common ownership of certain portions of the premises. A Condominium declaration or master deed must exist which sets forth the exact provisions of ownership and establishes a Condominium association. Town homes, Row houses, Commercial Condominiums, Cooperatives or PUDs are not Condominiums for purposes of this policy.	Deposit Premium As deposit premium for the insurance provided by us, you will pay us an amount determined by multiplying the Policy Rate by the estimated number of loans on all mortgage liens secured by Eligible Real Estate at the inception date of this policy and each anniversary date thereafter. At the end of the first 12 months (and annually thereafter), we will average the number of loans in your loan portfolio and multiply such average by the Policy Rate. The amount thus calculated will be the final premium for the year. If the Deposit Premium is less than the final premium for the year, you will pay us the balance. At our option, and with your agreement, premium under this policy may be billed and collected on a monthly basis by dividing the Annual Rate per loan by 12 and multiplying the number of Eligible Real Estate held by you on a monthly basis.		
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.	Reporting Provisions You will report valid number of loans to us within 15 days of the end of each _____.		

This policy is made and accepted subject to all of the stipulations and conditions contained on this and the following pages which are hereby specifically referred to and made a part thereof, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto; no officer, agent, or other representative of the Company shall have the power to waive or be deemed to have waived any provision or condition of this policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the Named Insured Mortgagee unless so written or attached.

IN WITNESS WHEREOF, the Company caused this policy to be executed and attested; but this policy shall not be valid unless countersigned by a duly authorized agent of the Company.

Tracy E. Salk

 Countersigning Agent
 (if required by State Insurance Law)

 City and State

 Date

SPECIAL CONDITIONS:

1. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
2. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
3. **Additional Conditions** applying to this policy
 - A. At the time of loan origination, the Named Insured Mortgagee must require all Borrowers to agree to carry insurance and must require issuance of a loss payable clause in favor of the Named Insured Mortgagee. The Agreement must be in writing and require the following information from the Borrower:
 1. The name of the primary insurance company providing fire insurance;
 2. The name of the agent writing said fire insurance;
 3. The binder or policy number of said fire insurance; and
 4. The Amount of Insurance provided by said fire insurance policy.
 - B. Loss is sustained on a property which falls under the definition of Condominium, as defined in this policy, and the applicable loan is classified by the Named Insured Mortgagee as a condominium loan;
 - C. A fire insurance policy is not in force on said property (Condominium) on the date of loss. This policy does not supplement inforce fire insurance policies that contain special exclusions, more restrictive coverage terms or provide inadequate Amounts of Insurance.

In the event the Named Insured Mortgagee, through unintentional error or omission, fails to obtain said information from the Borrower, provided the Named Insured Mortgagee maintains and utilizes a standard written procedure to properly obtain the information above and the Named Insured Mortgagee tracks the mortgages, the Company agrees to issue a separate policy to the Additional Named Insured after a uncovered loss. The policy inception date will be the date the property became uninsured. Premium charges will be calculated from the inception date to the end of the current policy period.

- D. Alterations, appliances, fixtures and improvements which are part of the Condominium and which are contained within the Borrower's walls;
 - 1) Unless modified by endorsement, this policy does not provide coverage for the following:
 - 2) Other items of real property that are exclusively part of the Borrower's unit (for example, interior walls and finished flooring);
 - 3) Property that the Borrower is responsible for insuring under the terms of a corporation or association of property owners agreement.
 - 4) Structures other than the Borrower's unit that are at the same location as the unit and are owned solely by the Borrower (for example, garages and storage sheds).

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

RESIDENTIAL FLOOD

Blanket Flood Policy Declarations

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

	Maximum Amount Per Loss Occurrence	Policy Rate (per loan)	Deposit Premium
POLICY NUMBER	Flood (Dwellings only) \$	\$	\$
POLICY PERIOD: FROM 12:01 a.m. Standard Time at the Address of the Named Insured Mortgagee, until canceled.	Deductible - per loss		
	Located in a "V" zone		\$
	Located in CBRA or Non Participating Community		\$
	All Other Flood Zones		\$
ELIGIBLE REAL ESTATE: Coverage applies only to 1 to 4 unit residential properties, manufactured homes, modular homes, town houses, row houses, and condominiums (dwelling only) in which the Named Insured Mortgagee has an insurable interest as mortgagee, or as the servicing agent by written agreement.	Deposit Premium As deposit premium for the insurance provided by us, you will pay us an amount determined by multiplying the Policy Rate by the estimated number of loans in Special Flood Hazard Areas on all mortgage liens secured by Eligible Real Estate at the inception date of this policy and each anniversary date thereafter. At the end of the first 12 months (and annually thereafter), we will average the number of loans in Special Flood Hazard Areas and multiply such average by the Policy Rate. The amount thus calculated will be the final premium for the year. If the Deposit Premium is less than the final premium for the year, you will pay us the balance. At our option, and with your agreement, premium under this policy may be billed and collected on a monthly basis by dividing the Annual Rate per loan by 12 and multiplying the number of Eligible Real Estate held by you on a monthly basis.		
PERILS INSURED AGAINST AND COVERAGE PROVIDED: Coverage applies to uninsured property against loss caused by Flood or Flooding in accordance with the provisions of Coverage forms and endorsements attached to this policy.	Reporting Provisions You will report valid number of loans to us within 15 days of the end of each _____.		
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.			

This policy is made and accepted subject to all of the stipulations and conditions contained on this and the following pages which are hereby specifically referred to and made a part thereof, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto; no officer, agent, or other representative of the Company shall have the power to waive or be deemed to have waived any provision or condition of this policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the Named Insured Mortgagee unless so written or attached.

IN WITNESS WHEREOF, the Company caused this policy to be executed and attested; but this policy shall not be valid unless countersigned by a duly authorized agent of the Company.

Tracy E. Sule

 Countersigning Agent
 (if required by State Insurance Law)

 City and State

 Date

SPECIAL CONDITIONS:

1. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
2. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.

Junior Mortgage Blanket Policy Declarations

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

	Maximum Amount Per Loss Occurrence	Policy Rate (per loan)	Deposit Premium
POLICY NUMBER	Dwelling	\$	\$
POLICY PERIOD: FROM 12:01 a.m. Standard Time at the Address of the Named Insured Mortgagee, until canceled.	Deductible - per loss		
	Property is VACANT at time of loss	\$	
	Vandalism & Malicious Mischief	\$	
	All Other Covered Losses	\$	
ELIGIBLE REAL ESTATE: Coverage applies only to 1 to 4 unit residential properties, manufactured homes, modular homes, town houses, row houses, and condominiums (dwelling only) in which the Named Insured Mortgagee has an insurable interest as mortgagee, or as the servicing agent by written agreement. This policy provides NO COVERAGE FOR FIRST MORTGAGE INTERESTS.	Deposit Premium As deposit premium for the insurance provided by us, you will pay us an amount determined by multiplying the Policy Rate by the estimated number of second mortgage loans (including the number of home equity lines of credit) on all mortgage liens secured by Eligible Real Estate at the inception date of this policy and each anniversary date thereafter. At the end of the first 12 months (and annually thereafter), we will average the number of second mortgages and equity lines loans and multiply such average by the Policy Rate. The amount thus calculated will be the final premium for the year. If the Deposit Premium is less than the final premium for the year, you will pay us the balance. At our option, and with your agreement, premium under this policy may be billed and collected on a monthly basis by dividing the Annual Rate per loan by 12 and multiplying the number of Eligible Real Estate held by you on a monthly basis.		
PERILS INSURED AGAINST AND COVERAGE PROVIDED: Coverage applies to insured property against risks of direct loss to Eligible Real Estate in accordance with the provisions of Coverage forms and endorsements attached to this policy.	Reporting Provisions You will report valid number of loans to us within 15 days of the end of each _____.		
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.			

THIS POLICY WILL NOT PROVIDE AN AMOUNT OF INSURANCE GREATER THAN THE NET AMOUNT OF THE MORTGAGE OR THE AUTHORIZED LIMIT ON HOME EQUITY LINES OF CREDIT FOR EACH MORTGAGED PROPERTY INSURED.

This policy is made and accepted subject to all of the stipulations and conditions contained on this and the following pages which are hereby specifically referred to and made a part thereof, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto; no officer, agent, or other representative of the Company shall have the power to waive or be deemed to have waived any provision or condition of this policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the Named Insured Mortgagee unless so written or attached.

IN WITNESS WHEREOF, the Company caused this policy to be executed and attested; but this policy shall not be valid unless countersigned by a duly authorized agent of the Company.

Tracy E. Sule

 Countersigning Agent
 (if required by State Insurance Law)

 City and State

SPECIAL CONDITIONS:

1. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
2. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.

JUNIOR MORTGAGE BLANKET ENDORSEMENT

This endorsement attaches to and modifies the Dwelling Hazard Coverage Form.

CONDITIONS

- 2. Insurable Interest and Amount of Insurance** is deleted and replaced by the following:
- 2. Insurable Interest and Amount of Insurance.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
- for an amount greater than the interest of a person insured under this policy; or
 - for more than the applicable amount of insurance.

The Named Insured Mortgagee's interest is represented by the mortgagor's unpaid balance at the time of loss, less unearned interest and finance charges, less unearned insurance premiums, less collection and foreclosure expenses, and less late charges and penalties added to the mortgagor's unpaid balance after the inception of coverage under this policy.

- 8. Other Insurance** is deleted and replaced by the following:
- 8. Other Insurance:** Coverage will be provided under this policy only when the loss exceeds the greater of the amount of all other existing insurance in effect at the time of loss or the mortgagor's (borrower) unpaid balance under the mortgage(s) senior to the one held by you, and then only for the amount of such excess, subject to the Amounts of Insurance stated in the Policy. Should no other insurance exist at the time of loss, coverage will be provided under this policy only if the loss exceeds the mortgagor's unpaid balance at the time of loss under the mortgage(s) senior to the one held by you. Coverage under this policy will not apply to any mortgagee other than the Named Insured Mortgagee. Coverage provided under this Policy is excess and in no way contributory. Coverage will apply only when all other valid insurance, whether collectible or not, has been exhausted or the mortgage(s) senior to the one held by the Named Insured Mortgagee has been satisfied, whichever is greater.

The following Conditions are added:

- 24. Term of Coverage:** Coverage will apply to each individual residential property during the term of the mortgage and this policy. If the insurance afforded by this policy is also provided by other insurance terminating at noon on the inception date of this coverage, coverage under this policy will not become effective until such other insurance has terminated. Coverage will apply only to losses which occur during the Term of Coverage. Coverage under this policy for any Residential Property shall automatically and without prior notice, cancel when the Named Insured Mortgagee no longer has an interest in the property or when the Named Insured Mortgagee has been provided with another policy that meets the Named Insured Mortgagee's requirements as set forth in the mortgage agreement applicable to the property.

All other provisions of this policy apply.

SPECIAL CONDITIONS:

1. **Term:** Coverage shall apply to each individual covered property during the policy period specified on each individual Additional Named Insured Certificate. If the insurance afforded by this policy is also provided by other insurance terminating at noon on the inception date of coverage, insurance under this policy shall not become effective until such other insurance has terminated.
2. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
3. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
4. **Foreclosure:** If through foreclosure the Additional Named Insured loses his interest in the property, all provisions of this policy will still apply as though "mortgagee" was changed to read "owner through foreclosure" throughout, except that there is no "Additional Insured".

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

COMMERCIAL FLOOD

Additional Named Insured Certificate

LOAN NUMBER

ADDITIONAL NAMED INSURED
 NAME AND ADDRESS (Street No., City, State, Zip)

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

POLICY NUMBER	Amount of Insurance	Premium	
POLICY TERM: FROM TO <input type="checkbox"/> NOON <input type="checkbox"/> 12:01 AM IF WE ELECT TO CONTINUE THIS INSURANCE, WE WILL RENEW THIS POLICY IF YOU PAY THE REQUIRED RENEWAL PREMIUM FOR EACH SUCCESSIVE POLICY PERIOD, SUBJECT TO OUR RATES, RULES AND FORMS THEN IN EFFECT. YOU MUST PAY US PRIOR TO THE END OF THE CURRENT POLICY PERIOD OR ELSE THIS POLICY WILL EXPIRE.	Building \$	\$	
DESCRIBED LOCATION (if different from mailing address)	Flood Deductible - per loss occurrence Property located in V Zone \$ Property located in all other Flood Zones \$ Property located in CBRA or Non Participating Community \$		
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.	MUNICIPAL TAXES Tax Code \$		
	OTHER TAXES \$		
			TOTAL CHARGES \$

Subject to the terms and provisions of this policy and the coverage forms and endorsements attached hereto, it is agreed that the insurance applies to the property described above and to any person shown as an Additional Named Insured with respect to such property, subject to the following additional provisions:

- (a) The Named Insured Mortgagee is authorized to advance all funds to be recovered from the Additional Named Insured(s) for the insurance afforded.
- (b) Loss, if any, shall be adjusted with and payable to the Named Insured Mortgagee and the Additional Named Insured(s), as their interests may appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at the company's option.

DEDUCTIBLES: Please refer to the deductibles shown above for the coverage provided by this policy.

THIS POLICY ONLY COVERS BUILDINGS. IT DOES NOT COVER YOUR PERSONAL PROPERTY.

For Customer Service Questions, please call our toll free Customer Service Number at: XXX-XXX-XXXX

To report a CLAIM, please contact our Claim Department at: XXX-XXX-XXXX.

Commercial Flood Coverage Form

Table of Contents

	Page #
AGREEMENT	1
DEFINITIONS	1
COVERAGES	1-2
PERILS INSURED AGAINST.....	2
PERILS EXCLUDED	2-3
OTHER COVERAGES.....	3
CONDITIONS	3-6

Commercial Flood Coverage Form

AGREEMENT

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

DEFINITIONS

Throughout this policy "you" and "your" refer to the "Named Insured Mortgagee," and the "Additional Named Insured" shown in the Declarations. "We," "our," and "us" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. "Base flood" means the flood having a one percent chance of being equaled or exceeded in any given year.
2. "Actual Cash Value" means the cost to repair or replace at the time of loss, less depreciation.
3. "Post-FIRM building" means a building for which the start of construction or substantial improvement occurred after December 31, 1974, or on or after the effective date of the initial Flood Insurance Rate Map (FIRM) for the community in which the building is located, whichever is later.

COVERAGES

This insurance applies to the individual Described Property for which an Additional Named Insured Endorsement has been issued, upon which a Covered Structure(s) is situated and which is not otherwise excluded.

1. Covered Structures

We cover Building(s) or structure(s), including attached additions and extensions, fixtures, machinery and equipment constituting a permanent part of and pertaining to the service of the building; floor coverings and appliances for refrigerating, ventilating, cooking, dishwashing and laundering (but not including other personal property in apartments or rooms furnished by you as landlord).

2. Property Not Covered

- a. Personal Property or contents of any kind.
- b. Fenced retaining walls, seawalls, swimming pools, bulkheads, wharves, piers, bridges, docks; other open structures located on or over water, including boat houses or similar structures or buildings into which boats are floated or moored.
- c. Land values, lawn, trees, shrubs or plants, signs, growing crops, or livestock; underground structures and equipment including wells, septic tanks or septic systems; those portions of walks, walkways, driveways, patios, and other surfaces, all of whatever kind of construction, located outside the perimeter, exterior walls of the Covered Structure.
- d. Buildings, including machinery and equipment which are part of the building, where more than 49 percent of the Actual Cash Value of such buildings is below ground, unless the lowest level is at or above the Base Flood elevation or the adjacent ground level by reason of earth having been used as an insulation material in conjunction with energy efficient building techniques.
- e. aircraft, any self-propelled vehicle or machine and motor vehicles, including their parts and equipment, trailers on wheels and other recreational vehicles whether affixed to a permanent foundation or on wheels; watercraft, including their furnishings and equipment.
- f. Enclosures, contents, machinery, building components, equipment and fixtures located at an elevation lower than the lowest elevated floor of an elevated Post-FIRM building (except for the required utility connections and the footing, foundation, posts, pilings, piers or other foundation walls and anchorage system as required for the support of the elevated Post-FIRM building), including a manufactured (i.e., mobile) home; finished basement walls, floors, ceilings and other improvements to a basement having its floor subgrade on all sides (except for drywalls and sheetrock walls and ceilings, whether finished or unfinished, all only to the extent of replacing them with unfinished (i.e., nailed to framing but not taped or otherwise finished with paint or other covering, drywall or sheetrock ceilings or walls, and except for fiberglass insulation) and contents, machinery, building equipment and fixtures in such basement areas; except that, as to this subparagraph (F), coverage is provided in basement areas and in areas below the lowest elevated floor of an elevated Post-FIRM building for sump pumps, well-water tanks, well-water tank pumps, oil tanks and the oil in them, cisterns and the water in them, natural gas tanks and the gas in them, pumps and/or tanks

used in conjunction with solar energy systems, furnaces, hot water heaters, air conditioners, heat pumps and electrical junction and circuit breaker boxes; and coverage is also provided in basement areas and in areas below the lowest elevated floor of an elevated Post-FIRM building for stairways and staircases attached to the building which are not separated from the building by elevated walkways and for elevators and relevant equipment, except for such relevant equipment located below the base floor elevation if such relevant equipment was installed on or after October 1, 1987.

- g. A manufactured (i.e., mobile) home located or placed within a Federal Emergency Management Agency designated Special Flood Hazard Area that is not anchored to a permanent foundation to resist flotation, collapse, or lateral movement (i) by over-the-top or frame ties to ground anchors or (ii) in accordance with manufacturer's specifications or (iii) in compliance with the community's flood plain management requirements.
- h. Units or structures which are primarily containers, rather than buildings (such as gas and liquid tanks).
- i. A building newly constructed or substantially improved on or after October 1, 1983, in an area designated as an undeveloped coastal barrier within the Coastal Barrier Resource System established by the Coastal Barrier Resources Act (Pub. L 97-348).

PERILS INSURED AGAINST

We insure against all direct physical loss or damage to covered property by and from the peril of "Flood" as defined below:

"Flood" or "Flooding" means:

- 1. a general and temporary condition of partial or complete inundation of normally dry land areas from:
 - a. The overflow of inland or tidal waters;
 - b. The unusual and rapid accumulation or runoff of surface waters from any source; or
 - c. Mudslides (i.e., mudflows) which are proximately caused by Flooding as defined above and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas, including the Individual Described Property, as when earth is carried by a current of water and deposited along the path of the current.
- 2. The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in Flooding as defined in 1a above.

PERILS EXCLUDED

- 1. Loss caused by theft, fire, windstorm, wind, explosion, earthquake, land sinkage, land subsidence, landslide, destabilization or movement of land and consequential loss, including loss of income or profits, resulting from the accumulation of water in subsurface land areas, gradual erosion, or any other earth movement except such mudslides (i.e. mudflows) or erosion as is covered under the peril of "Flood".
- 2. Loss caused by rain, snow, sleet, hail, water spray, freezing, thawing, the pressure or weight of ice or water sewer backup or seepage of water unless the property covered has been, for the same time, damaged by a "Flood".
- 3. Water, moisture or mudslide (i.e., mudflow) damage resulting primarily from any condition substantially confined to the insured building or from any condition which is within the control of the Named or Additional Named Insured (including but not limited to design, structural or mechanical defects, failures, stoppages, or breakages of water of sewer lines, drains, pumps, fixtures, or equipment).
- 4. Loss which is in progress as of 12:01 A.M. of the first day of the policy term.
- 5. Loss from a "Flood" which is confined to the Individual Described Property on which your Covered Structure is situated, unless the "Flood" is displaced over two acres of the Individual Described Property.
- 6. Loss caused by or contributed to in any manner due by your modification to the Individual Described Property on which the Covered Structure is situated which materially increased the risk of "Flooding".
- 7. Loss caused intentionally by you. This exclusion shall not apply to the interest of an innocent co-insured when any other insured intentionally causes a loss.
- 8. Loss caused by or resulting from power, heating or cooling failure, unless such failure results from physical damage to power, heating or cooling equipment situated on the Individual Described Property where the Covered Structure is situated, caused by "Flood".

9. Loss caused directly or indirectly by (1) hostile or warlike action in time of peace or war including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto). or by any authority maintaining or using military, naval or air forces, or (b) by military, naval or air forces, or (c) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces; (2) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence;
10. Loss caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "Flood".

OTHER COVERAGES

1. Other Structures

Subject to the provisions of this article, we cover other structures on the Individual Described Property, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line or similar connection are considered to be other structures.

We do not cover other structures:

- a. used in whole or in part for commercial, manufacturing or farming purposes; or
- b. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The amount of insurance on other structures shall be limited to 10% of the dwelling coverage as an additional amount of insurance.

2. Debris Removal

Within the limits of your coverage, we cover any expense you incur as a result of removing debris of, on or from the Individual Described Property so long as the debris problem was directly caused by a "Flood", including the value of your own for and the labor of members of your household at prevailing Federal minimum wage rates.

3. Loss Prevention Expenses

We cover the reasonable expenses incurred by you for the purchase of (i) sandbags, including sand to fill them and plastic sheeting and lumber used in connection with them, (ii) fill for temporary levees, (iii) pumps, and (iv) wood, all for the purpose of protecting the Covered Structure due to the imminent danger of a "Flood" loss, including the value of your labor and the labor of members of your household at prevailing Federal minimum wage rates, in an aggregate amount up to the amount of \$500. The policy's deductible amount, as indicated on the Additional Named Insured Endorsement, shall not be applied to this reimbursement, but shall be applied to any other benefits under the policy's coverage. For reimbursement under this article to apply, the following conditions must be met:

- (i) The insured property must be in imminent danger of sustaining "Flood" damage; and
- (ii) The threat of "Flood" damage must be of such imminence as to lead a person of common prudence to apprehend "Flood" damage; and
- (iii) A general and temporary condition of "Flooding" in the area must occur, even if the "Flooding" does not reach the insured property, or a legally authorized official must issue an evacuation order or other civil order for the community in which the insured property is located calling for measures to preserve life and property from the peril of "Flood".

CONDITIONS

1. **Policy Period.** This Policy applies only to loss which occurs during the policy period.
2. **Other Insurance.** This policy prohibits other insurance. In the event that the Additional Named Insured (mortgagor) has voluntary insurance with an effective date on or before the effective date of any coverage issued under this policy, this policy will be cancelled on its effective date and all premiums will be refunded. In the event that the Additional Named Insured (mortgagor) obtains insurance during the term of any coverage issued under this policy, this policy will be cancelled as of the effective date of such coverage and the premium will be refunded on a pro rata basis.
3. **Insurable Interest and Amount of Insurance.** Even if more than one person has an insurable interest in the Individual Described Property covered, we shall not be liable for:

- a. an amount greater than the interest of the persons insured under this policy; or
- b. more than the amount of insurance that applies, whichever is less.

If the Described Property is vacant and the mortgage on the property has been declared in default by the mortgagee at the time of a loss, we shall be liable for no more than the Mortgagee's interest in the property at the time of loss.

The Mortgagee's interest is represented by the mortgagor's unpaid balance, less unearned interest and finance charges, less unearned insurance premiums, less collection and foreclosure expenses, and less late charges and penalties added to the mortgagor's unpaid balance after the inception date of this policy.

4. **Concealment or Fraud.** We do not provide coverage if you have intentionally concealed or misrepresented any material fact or circumstance relating to this insurance. We do not provide coverage if you have acted fraudulently or made false statements relating to this insurance whether before or after loss.
5. **Your Duties After Loss.** In case of a loss to which this insurance may apply, you shall see that the following duties are performed:
 - a. give immediate notice to us or our agent;
 - b. protect the property from further damage, make reasonable and necessary repairs required to protect the property, and keep an accurate record of repair expenditures;
 - c. exhibit the damaged property as often as we reasonably require;
 - d. submit to signed statements and examinations under oath; and
 - e. submit to us, within 60 days after we request, your signed, sworn statement of loss which sets forth, to the best of your knowledge and belief:
 - (1) the time and cause of loss;
 - (2) the interest of you and all others in the property involved and all encumbrances on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term of the policy; and
 - (5) specifications of any damaged building and detailed estimates for repair of the damage.
6. **Loss Settlement.** Covered property losses are settled at the Actual Cash Value of the damaged property at the time of loss.

We will not pay more than the smallest of:

 - (1) the cost to repair or replace the damaged property with property of like kind and quality;
 - (2) the Actual Cash Value of the damaged property; or
 - (3) the amount of insurance of this policy applying to the property.
7. **Salvage and Recoveries:** When, in connection with any loss covered by this policy, any salvage or recovery is received subsequent to the payment of such loss, the loss shall be refigured on the basis of what it would have been settled for had the amount of salvage or recovery been known at the time the amount of loss was originally determined. Any amounts thus found to be due any party, including us, shall be promptly paid or reimbursed.
8. **Our Option.** If we give you written notice within 30 days after we receive your signed, sworn statement of loss, we may repair or replace any part of the property damaged with equivalent property.
9. **Loss Clause:** Payment of any loss under this policy shall not reduce the amount of insurance applicable to any other loss during the policy term which arises out of a separate occurrence of "Flood"; provided that all loss arising out of a continuous or protracted occurrence shall be deemed to constitute loss arising out of a single occurrence.
10. **Loss to a Pair or Set.** In case of loss to a pair or set, we may elect to:
 - a. repair or replace any part to restore the pair or set to its value before the loss; or
 - b. pay the difference between Actual Cash Value of the property before and after the loss.
11. **Glass Replacement.** Covered loss to glass shall be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
12. **Loss Payment.** We will adjust all losses with the Named Insured Mortgagee. Payment for loss will be made within 60 days after we reach agreement with the Named Insured Mortgagee, entry of a final court judgment, or the filing of an approved award with us. Loss will be made payable to the Named Insured Mortgagee and the Additional Named Insured as their interests appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at our option. No coverage will be available to any mortgagee other than that shown as the Named Insured Mortgagee on the Declarations page of this policy.

13. **Appraisal.** If the Named Insured Mortgagee and we fail to agree on the actual cash value or amount of loss, either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, the Named Insured Mortgagee or we can ask a judge of a court of record in the state of the Individual Described Property to select an umpire.

The appraisers will appraise the loss, based on the method of payments specified in the policy for each item. If the appraisers submit a written report of an agreement to us, that amount will be the Actual Cash Value or amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award by any two will determine the amount of loss.

Each party will pay the appraiser it chooses and his expenses, and equally pay expenses for the umpire and all other expenses of the appraisal.

14. **Our Rights (Subrogation).** In the event of any claim under this policy, we are entitled to all your rights of recovery against another person. You must sign and deliver to us any legal papers relating to that recovery, do whatever else is necessary to help us exercise those rights and do nothing after loss to prejudice our rights. When you have made a claim under this policy and also recover from another person, the amount recovered from the other person shall be held by you in trust for us and reimbursed to us to the extent of any damages paid by us under this policy.

15. **Suit Against Us.** No action shall be brought unless there has been compliance with the policy provisions and the action is started within one year after the date of loss.

16. **Abandonment of Property.** You must take all reasonable steps to protect the property which a prudent interested party would take in the absence of this or other insurance. We need not accept any property abandoned by you.

17. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.

18. **Cancellation.**

a. The intent of this policy is to provide coverage for the Named Insured Mortgagee if the Additional Named Insured (mortgagor) fails to provide insurance which meets the requirements of the Named Insured Mortgagee. If the Named Insured Mortgagee no longer has an interest in the mortgaged property, this policy may be cancelled as of the effective date that the Named Insured Mortgagee no longer has an interest or at the election of the Named Insured Mortgagee this policy may remain in force until the expiration date shown on the individual certificate or policy of insurance. If the Additional Named Insured (mortgagor) provides evidence of insurance or if it is determined that the property insured by this policy is insured by "other insurance", this policy will be cancelled as of the effective date of the other insurance and all unearned premium will be refunded. If Additional Named Insured (mortgagor) provides evidence of insurance that meets the requirements of the Named Insured Mortgagee, this policy will be cancelled as of the effective date of the policy provided by the Additional Named Insured (mortgagor) and all unearned premium will be refunded on a pro rata basis.

b. This policy may also be canceled by the Additional Named Insured by returning it to us or notifying us in writing of the date cancellation is to take effect

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

Proof of mailing will be sufficient proof of notice.

(1) We may cancel this policy by mailing notice of cancellation to the Additional Named Insured at the address shown on the Additional Insured Endorsement or by delivering the notice not less than 30 days prior to the effective date of the cancellation.

(2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

(3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

(a) if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy, or

(b) if the risk has changed substantially since the policy was issued.

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

- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.
- d. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 - e. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.
19. **Non-Renewal.** We may elect to not renew this policy. If the Named Insured Mortgagee no longer has an interest in the policy as of the expiration of the policy term, this policy will not be renewed. If the policy is not renewed, a non renewal notice will be provided to the Additional Named Insured (mortgagor) by written notice within the number of days required by the insurance statutes of the state where the property is located. Notice will be sent to the last known address of the Additional Named Insured (mortgagor). Proof of mailing will be sufficient proof of notice
20. **Liberalization Clause.** If we adopt any revision which would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.
21. **Waiver or change of Policy Provisions.** A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination shall not waive any of our rights. No course of conduct nor any indulgences, waivers, extensions, forbearances, non-enforcement of policy conditions, or the like, extended at or over any time or from time to time by the Company to the Named Insured Mortgagee or anyone shall waive, nullify, or modify any policy provision as to any other occasion or waive, nullify, or modify any other policy provision.
22. **Assignment.** Assignment of this policy shall not be valid unless we give our written consent.

REAL ESTATE OWNED (REO) ENDORSEMENT

The attachment of this endorsement to the policy issued under the Commercial Flood Coverage Form is hereby extended to include properties owned by the named insured mortgagee as a result of foreclosure or properties held by the lender as a result of a trust agreement. "Eligible Real Estate" indicated on the policy declaration is changed to read:

Coverage applies to Commercial properties (building only) in which the Named Insured Mortgagee has an insurable interest as mortgagee, as servicing agent by written agreement, as owner of real estate property through foreclosure, or as trustee by agreement. Individual covered properties are specified in the Additional Named Insured Certificate issued under this policy or listed on a log of REO properties provided to the company on a periodic basis.

All other terms and conditions of the policy remain unchanged.

CBRA/CHRA ENDORSEMENT

“Coverages” 2. “Property Not Covered”, Item i. of the Commercial Flood Coverage Form is deleted in its entirety if this endorsement is attached to the individual policy and the premium has been paid.

In the event that the company determines the Commercial Flood Coverage Form insures a property located within a CBRA/CHRA at any time during the term of the policy, including following a loss, the insured mortgagee may request that this endorsement be attached to the policy, but only if the CBRA/CHRA property is located within a FEMA declared Special Flood Hazard Area. Coverage will not attach to the policy under this endorsement until the applicable premium has been paid. At the request of the named insured mortgagee, any premium due under this Endorsement may be offset against any loss payable under the terms of the Endorsement.

No loss adjustment may be made under the terms of this Endorsement until the applicable premium is paid in full.

All other terms and conditions of the policy remain unchanged.

SPECIAL CONDITIONS:

1. **Term:** Coverage shall apply to each individual covered property during the policy period specified on each individual Additional Named Insured Certificate. If the insurance afforded by this policy is also provided by other insurance terminating at noon on the inception date of coverage, insurance under this policy shall not become effective until such other insurance has terminated.
2. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
3. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
4. **Foreclosure:** If through foreclosure the Additional Named Insured loses his interest in the property, all provisions of this policy will still apply as though "mortgagee" was changed to read "owner through foreclosure" throughout, except that there is no "Additional Insured".

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

COMMERCIAL PROPERTY

Additional Named Insured Certificate

LOAN NUMBER

ADDITIONAL NAMED INSURED
 NAME AND ADDRESS (Street No., City, State, Zip)

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

POLICY NUMBER POLICY TERM: FROM TO <input type="checkbox"/> NOON <input type="checkbox"/> 12:01 AM <small>IF WE ELECT TO CONTINUE THIS INSURANCE, WE WILL RENEW THIS POLICY IF YOU PAY THE REQUIRED RENEWAL PREMIUM FOR EACH SUCCESSIVE POLICY PERIOD, SUBJECT TO OUR RATES, RULES AND FORMS THEN IN EFFECT. YOU MUST PAY US PRIOR TO THE END OF THE CURRENT POLICY PERIOD OR ELSE THIS POLICY WILL EXPIRE.</small>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Amount of Insurance</th> <th style="width: 20%; text-align: center;">Premium</th> </tr> </thead> <tbody> <tr> <td>Building</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> <tr> <td colspan="3" style="padding: 10px 0 10px 40px;">Deductible - per loss occurrence \$</td> </tr> <tr> <td>MUNICIPAL TAXES</td> <td style="text-align: center;">Tax Code</td> <td style="text-align: center;">\$</td> </tr> <tr> <td>OTHER TAXES</td> <td></td> <td style="text-align: center;">\$</td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL CHARGES</td> <td style="text-align: center;">\$</td> </tr> </tbody> </table>		Amount of Insurance	Premium	Building	\$	\$	Deductible - per loss occurrence \$			MUNICIPAL TAXES	Tax Code	\$	OTHER TAXES		\$	TOTAL CHARGES		\$
	Amount of Insurance	Premium																	
Building	\$	\$																	
Deductible - per loss occurrence \$																			
MUNICIPAL TAXES	Tax Code	\$																	
OTHER TAXES		\$																	
TOTAL CHARGES		\$																	
DESCRIBED LOCATION (if different from mailing address)																			
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.																			

Subject to the terms and provisions of this policy and the coverage forms and endorsements attached hereto, it is agreed that the insurance applies to the property described above and to any person shown as an Additional Named Insured with respect to such property, subject to the following additional provisions:

- (a) The Named Insured Mortgagee is authorized to advance all funds to be recovered from the Additional Named Insured(s) for the insurance afforded.
- (b) Loss, if any, shall be adjusted with and payable to the Named Insured Mortgagee and the Additional Named Insured(s), as their interests may appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at the company's option.

DEDUCTIBLE: Please refer to the deductible shown above for the coverage provided by this policy.

THIS POLICY ONLY COVERS BUILDINGS. IT DOES NOT COVER YOUR PERSONAL PROPERTY.

For Customer Service Questions, please call our toll free Customer Service Number at: XXX-XXX-XXXX

To report a CLAIM, please contact our Claim Department at: XXX-XXX-XXXX

Commercial Hazard Coverage Form

Table of Contents

	Page #
COVERAGE	1
COVERED CAUSES OF LOSS	1-2
EXCLUSIONS	2
LIMITATIONS	4
ADDITIONAL COVERAGE - COLLAPSE.....	4
AMOUNT OF INSURANCE.....	4
DEDUCTIBLE.....	4
CONDITIONS	5-8
DEFINITIONS	8

Commercial Hazard Coverage Form

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

Throughout this policy the words "you" and "your" refer to the Named Insured Mortgagee and the Additional Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

A. Covered Property. Covered Property, as used in this Coverage Part, means the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Permanently installed:
 - (a) Fixtures;
 - (b) Machinery; and
 - (c) Equipment;
- (3) Outdoor fixtures;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

B. Property Not Covered. Covered Property does not include:

1. Bridges, roadways, walks, patios or other paved surfaces;
2. The cost of excavations, grading, backfilling or filling;
3. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (a) The lowest basement floor; or
 - (b) The surface of the ground, if there is no basement;
4. Land (including land on which the property is located), water, growing crops or lawns;
5. Pilings, piers, wharves or docks;
6. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
7. Retaining walls that are not part of the building described in the Declarations;
8. Underground pipes, flues or drains;
9. Fences, radio or television antennas, including their lead-in wiring, masts or towers, signs, trees, shrubs or plants.

Covered Causes of Loss

A. COVERED CAUSES OF LOSS

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations

B. EXCLUSIONS

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

1. Ordinance or Law. The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

2. Earth Movement.

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
- (2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by.

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

3. Governmental Action. Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

4. Nuclear Hazard. Nuclear reaction or radiation, or radioactive contamination, however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

5. Off-Premises Services. The failure of power or other utility service supplied to the described premises, however caused. if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

6. War And Military Action.

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

7. Water.

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up from a sewer or drain; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

We will not pay for loss or damage caused by or resulting from any of the following:

1. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

2. Delay, loss of use or loss of market.
 3. Smoke, vapor or gas from agricultural smudging or industrial operations.
 4.
 - (1) Wear and tear;
 - (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Insects, birds, rodents or other animals;
 - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.However, this does not apply to any resulting loss or damage caused by elevator collision;
- But if loss or damage by the "Specified causes of loss" or building glass breakage results, we will pay for that resulting loss or damage.
5. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 6. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.
 7. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
 8. Dishonest or criminal act by you. This exclusion shall not apply to the interest of an innocent co-insured when any other insured has committed a dishonest or criminal act.
 9. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 10. Collapse, except as provided below in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the described premises, we will pay for that resulting loss or damage.
 11. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified causes of loss."

We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

1. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
3. Faulty, inadequate or defective:
 - (a) Planning, zoning, development, surveying, siting;
 - (b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (c) Materials used in repair, construction, renovation or remodeling; or
 - (d) Maintenance;of part or all of any property on or off the described premises.

C. LIMITATIONS

We will not pay for loss of or damage to:

1. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such

- equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
2. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 3. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 4. Building materials and supplies not attached as part of the building or structure.
 5. Gutters and downspouts caused by or resulting from weight of snow, ice or sleet.

We will not pay more for loss of or damage to glass that is part of a building or structure than \$100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. We will not pay more than \$500. for all loss of or damage to building glass that occurs at any one time.

This Limitation does not apply to loss or damage by the "specified causes of loss," except vandalism.

D. ADDITIONAL COVERAGE - COLLAPSE

We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

1. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
2. Hidden decay;
3. Hidden insect or vermin damage;
4. Weight of people or personal property;
5. Weight of rain that collects on a roof;
6. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

We will not pay for loss or damage to the following types of property, if otherwise covered in this Coverage Part, under items 2., 3., 4., 5. and 6. unless the loss or damage is a direct result of the collapse of a building:

- (a) outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences; piers;
- (b) wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

This Additional Coverage will not increase the Amounts of Insurance provided in this Coverage Part.

Amount of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Amount of Insurance shown in the Declarations.

Deductible

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Amount of Insurance, after any deduction required by the Coinsurance condition.

Conditions

This Coverage Part is subject to the following conditions:

1. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured Mortgagee shown in the declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

2. Concealment, Misrepresentation or Fraud

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Part;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Coverage Part.

This condition shall not apply to the interest of an innocent co-insured when any other insured intentionally conceals or misrepresents a material fact.

3. Control of Property

Any act or neglect of any person, other than the Named Insured Mortgagee, beyond the Named Insured Mortgagee's direction and control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

4. Other Insurance

This policy prohibits other insurance. In the event that the Additional Named Insured (mortgagor) has voluntary insurance with an effective date on or before the effective date of any coverage issued under this policy, this policy will be cancelled on its effective date and all premiums will be refunded. In the event that the Additional Named Insured (mortgagor) obtains insurance during the term of any coverage issued under this policy, this policy will be cancelled as of the effective date of such coverage and the premium will be refunded on a pro rata basis.

5. Legal Action Against Us.

No one may bring a legal action against us under this Coverage Part unless:

- a. There has been full compliance with all of the terms of this Coverage Part; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

6. Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

7. No Benefit to Bailee

No person or organization, other than the Named Insured Mortgagee, having custody of Covered Property will benefit from this insurance.

8. Policy Period, Coverage Territory

Under this Coverage Part:

- a. We cover loss or damage commencing:
 1. During the policy period shown in the Declarations; and
 2. Within the coverage territory.
- b. The coverage territory is the United States of America.

9. Transfer of Rights of Recovery Against Others to Us.

If any person or organization to or for whom we make payment under this Coverage Part, has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at the time of loss, that party is one of the following:

- (1) Someone insured by this insurance;
- (2) Business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
- (3) Your tenant.

This will not restrict your insurance.

10. Abandonment

There can be no abandonment of any property to us.

11. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

12. Duties In The Event of Loss or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Amount of Insurance.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

13. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality.

b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

c. We will not pay you more than your financial interest in the Covered Property.

d. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if:
 - (1) You have complied with all of the terms of this Coverage Part; and
 - (2) (a) We have reached agreement with you on the amount of loss; or
 - (b) An appraisal award has been made.

14. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Amount of Insurance.

15. Vacancy

If the building where loss or damage occurs has been vacant for more than 30 consecutive days before that loss or damage, we will:

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (1) Vandalism;
 - (2) Sprinkler leakage, unless you have protected the system against freezing;
 - (3) Building glass breakage;
 - (4) Water damage;
 - (5) Theft; or
 - (6) Attempted theft.
- b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

A building is vacant when it does not contain enough business personal property to conduct customary operations.

Buildings under construction are not considered vacant.

16. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage.
- b. If the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

This provision does not apply to the following even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

- c. Glass at the cost of replacement with safety glazing material if required by law.

17. Cancellation.

- a. The intent of this policy is to provide coverage for the Named Insured Mortgagee if the Additional Named Insured (mortgagor) fails to provide insurance which meets the requirements of the Named Insured Mortgagee. If the Named Insured Mortgagee no longer has an interest in the mortgaged property, this policy may be cancelled as of the effective date that the Named Insured Mortgagee no longer has an interest or at the election of the Named Insured Mortgagee this policy may remain in force until the expiration date shown on the individual certificate or policy of insurance. If the Additional Named Insured (mortgagor) provides evidence of insurance or if it is determined that the property insured by this policy is insured by "other insurance", this policy will be cancelled as of the effective date of the other insurance and all unearned premium will be refunded. If Additional Named Insured (mortgagor) provides evidence of insurance that meets the requirements of the Named Insured Mortgagee, this policy will be cancelled as of the effective date of the policy provided by the Additional Named Insured (mortgagor) and all unearned premium will be refunded on a pro rata basis.
- b. This policy may also be canceled by the Additional Named Insured by returning it to us or notifying us in writing of the date cancellation is to take effect

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

Proof of mailing will be sufficient proof of notice.

- (1) We may cancel this policy by mailing notice of cancellation to the Additional Named Insured at the address shown on the Additional Insured Endorsement or by delivering the notice not less than 30 days prior to the effective date of the cancellation.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy, or
 - (b) if the risk has changed substantially since the policy was issued.

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

- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.
- d. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- e. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

18. Non-Renewal.

We may elect to not renew this policy. If the Named Insured Mortgagee no longer has an interest in the policy as of the expiration of the policy term, this policy will not be renewed. If the policy is not renewed, a non renewal notice will be provided to the Additional Named Insured (mortgagor) by written notice within the number of days required by the insurance statutes of the state where the property is located. Notice will be sent to the last known address of the Additional Named Insured (mortgagor). Proof of mailing will be sufficient proof of notice.

Definitions

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

"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

"Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities,

"Falling objects" does not include loss or damage to:

- a. Personal property in the open; or
- b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

"Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

REAL ESTATE OWNED (REO) ENDORSEMENT

The attachment of this endorsement to the policy issued under the Commercial Hazard Coverage Form is hereby extended to include properties owned by the named insured mortgagee as a result of foreclosure or properties held by the lender as a result of a trust agreement. "Described Property Location" indicated on the policy declaration applies to Real Estate Owned property.

Coverage applies to Commercial properties (building only) in which the Named Insured Mortgagee has an Insurable Interest as mortgagee, as servicing agent by written agreement, as owner of real estate property through foreclosure, or as trustee by agreement. Individual covered properties are specified in the Additional Named Insured Certificate issued under this policy or listed on a log of REO properties provided to the company on a periodic basis.

All other terms and conditions of the policy remain unchanged.

WASHINGTON SPECIAL PROVISIONS

This endorsement attaches to and becomes a part of the Commercial Hazard Coverage Form.

COVERED CAUSES OF LOSS

B. EXCLUSIONS is deleted and replaced by:

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property. We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property. We do not insure for loss caused directly or indirectly by any cause of loss listed in the General Exclusions regardless of any other cause or event contributing concurrently or in any sequence to the loss.

Exclusion 4. Is deleted and replaced by:

4. (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nestling or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision;
- (7) The following causes of loss to personal property;
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 4.(1) through (7) results in a "specified cause of loss", building glass breakage or collapse, as provided in the Additional Coverage. Collapse., we will pay for the loss or damage caused by that "specified cause of loss", building glass breakage or collapse.

CONDITIONS

11. APPRAISAL is deleted and replaced by:

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

Each party will:

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

17. Cancellation is deleted and replaced by:

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice, together with our reason for cancellation, will be mailed to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records. Proof of mailing will be sufficient proof of notice.
 - (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 45 days before the date cancellation takes effect.

- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
- (a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
 - (b) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 45 days before the date cancellation takes effect.

- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 45 days before the date cancellation takes effect.

However, with respect to Paragraphs **b. (2), (3) and (4)** above, if two or more of the following conditions exist at any building that is covered under this policy, we may cancel this policy by letting you and, if applicable, your agent or broker know at least 5 days before the date cancellation takes effect. We will also let any mortgagee or other person shown by the policy to have an interest in a covered loss know at least 20 days before the date cancellation takes effect.

- (1) Without reasonable explanation, the building is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days unless the building is maintained for seasonal occupancy or is under construction or repair;
 - (2) Without reasonable explanation, progress toward completion of permanent repairs to the building has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
 - (3) Because of its physical condition, the building is in danger of collapse;
 - (4) Because of its physical condition, a vacation or demolition order has been issued for the building, or it has been declared unsafe in accordance with applicable law;
 - (5) Fixed and salvageable items have been removed from the building, indicating an intent to vacate the building;
 - (6) Without reasonable explanation, heat, water, sewer, and electricity are not furnished for the building for 60 consecutive days; or
 - (7) The building is not maintained in substantial compliance with fire, safety and building codes.
- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it as soon as possible, but no later than:
- (1) 45 days after we send a notice of cancellation to you; or
 - (2) 30 days after we receive the policy or a notice of cancellation from you.
- e. Except as noted above, if the policy is canceled by us, we will give the same advance notice of cancellation in writing to any mortgagee or other person shown by the policy to have an interest in a covered loss as we give to you. The cancellation notice may be delivered or mailed; if mailed, proof of mailing will be sufficient proof of notice.

18. Nonrenewal is deleted and replaced by the following:

We may elect not to renew this policy. We may do so by mailing to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records, written notice, including our reason for refusing to renew, at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

If we have offered in writing, either directly or through our agent, at least 20 days before the expiration date of this policy, to renew this policy, and have included a statement of the renewal premium due, we may terminate this policy on its expiration date if you fail to pay the required premium when due.

For the purpose of determining the date when nonrenewal can be effected: A policy with a term of six months or less is considered as if written for a policy period of six months. A policy written for a term longer than one year or a policy with no fixed expiration date is considered as if written for a period of one year.

All other provisions of this policy apply.

Flood Master Policy Declarations

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

<p>MASTER POLICY NUMBER</p>	<p>Maximum Amount Per Loss Occurrence</p> <p>Flood (Building only) \$ _____</p>
<p>POLICY PERIOD:</p> <p>FROM 12:01 a.m. Standard Time at the Address of the Named Insured Mortgagee, until canceled.</p>	<p>The amount of insurance will be shown on each individual Additional Named Insured Certificate issued under this master policy, subject to the maximum shown above applying to any one Individual Described Property.</p>
<p>ELIGIBLE REAL ESTATE:</p> <p>Coverage applies only to 1 to 4 unit residential properties, manufactured homes, modular homes, town homes, row houses, and condominiums (dwelling only) in which the Named Insured Mortgagee has an insurable interest as mortgagee or as the servicing agent by written agreement. Individual covered properties are specified in the Additional Named Insured Certificate issued under this policy.</p>	<p>Please refer to the attached Schedule for Annual Rates per \$100 and Deductibles by State</p>
<p>PERILS INSURED AGAINST AND COVERAGE PROVIDED:</p> <p>Coverage applies to insured property against loss caused by Flood or Flooding in accordance with the provisions of Coverage forms and endorsements attached to this policy.</p>	<p>ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.</p>

This policy is made and accepted subject to all of the stipulations and conditions contained on this and the following pages which are hereby specifically referred to and made a part thereof, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto; no officer, agent, or other representative of the Company shall have the power to waive or be deemed to have waived any provision or condition of this policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the Named Insured Mortgagee unless so written or attached.

IN WITNESS WHEREOF, the Company caused this policy to be executed and attested; but this policy shall not be valid unless countersigned by a duly authorized agent of the Company.



 Countersigning Agent
 (if required by State Insurance Law)

 City and State

 Date

SPECIAL CONDITIONS:

1. **Term:** Coverage shall apply to each individual covered property during the policy period specified on each individual Additional Named Insured Certificate. If the insurance afforded by this policy is also provided by other insurance terminating at noon on the inception date of coverage, insurance under this policy shall not become effective until such other insurance has terminated.
2. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
3. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
4. **Foreclosure:** If through foreclosure the Additional Named Insured loses his interest in the property, all provisions of this policy will still apply as though "mortgagee" was changed to read "owner through foreclosure" throughout, except that there is no "Additional Insured".

QBE Insurance Corporation
88 Pine Street 16th Floor
New York, NY 10005
Home Office: c/o CT Corporation
1515 Market Street, Suite 1210
Philadelphia, PA 19102

RESIDENTIAL FLOOD

Additional Named Insured Certificate - Flood

LOAN NUMBER

ADDITIONAL NAMED INSURED

NAME AND ADDRESS (Street No., City, State, Zip)

NAMED INSURED MORTGAGEE

NAME AND ADDRESS

	Amount of Insurance	Premium								
POLICY NUMBER	Dwelling <table border="1" style="float: right; margin-left: 20px;"> <tr> <td style="width: 50px;">\$</td> <td style="width: 100px;"></td> </tr> </table>	\$		<table border="1" style="float: right; margin-left: 20px;"> <tr> <td style="width: 50px;">\$</td> <td style="width: 100px;"></td> </tr> </table>	\$					
\$										
\$										
POLICY TERM: FROM TO <input type="checkbox"/> NOON <input type="checkbox"/> 12:01 AM IF WE ELECT TO CONTINUE THIS INSURANCE, WE WILL RENEW THIS POLICY IF YOU PAY THE REQUIRED RENEWAL PREMIUM FOR EACH SUCCESSIVE POLICY PERIOD, SUBJECT TO OUR RATES, RULES AND FORMS THEN IN EFFECT. YOU MUST PAY US PRIOR TO THE END OF THE CURRENT POLICY PERIOD OR ELSE THIS POLICY WILL EXPIRE.	Flood Deductible - per loss occurrence Property Located in a "V" zone \$ Property located in CBRA or Non-Participating Community \$ All Other Flood Losses \$									
DESCRIBED LOCATION (if different from mailing address)	<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">MUNICIPAL TAXES</td> <td style="width: 20%;">Tax Code</td> <td style="width: 20%; text-align: center;">\$</td> </tr> <tr> <td>OTHER TAXES</td> <td></td> <td style="text-align: center;">\$</td> </tr> </table>	MUNICIPAL TAXES	Tax Code	\$	OTHER TAXES		\$	<table border="1" style="width: 100%;"> <tr> <td style="width: 80%; text-align: right;">TOTAL CHARGES</td> <td style="width: 20%; text-align: center;">\$</td> </tr> </table>	TOTAL CHARGES	\$
MUNICIPAL TAXES	Tax Code	\$								
OTHER TAXES		\$								
TOTAL CHARGES	\$									
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.										

Subject to the terms and provisions of this policy and the coverage forms and endorsements attached hereto, it is agreed that the insurance applies to the property described above and to any person shown as an Additional Named Insured with respect to such property, subject to the following additional provisions:

- (a) The Named Insured Mortgagee is authorized to act for the Additional Named Insured(s) in all matters pertaining to this insurance including receipt of Notice of Cancellation; and return premium, if any.
- (b) The Named Insured Mortgagee is authorized to advance all funds to be recovered from the Additional Named Insured(s) for the insurance afforded.
- (c) Loss, if any, shall be adjusted with and payable to the Named Insured Mortgagee and the Additional Named Insured(s), as their interests may appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at the company's option.

DEDUCTIBLES: Please refer to the deductibles shown above for the coverage provided by this policy.

THIS POLICY ONLY COVERS BUILDINGS. IT DOES NOT COVER YOUR PERSONAL PROPERTY.

For Customer Service Questions, please call our toll free Customer Service Number at: XXX-XX-XXXX

To report a CLAIM, please contact our Claim Department at: XXX-XXX-XXXX

Residential Flood Coverage Form

Table of Contents

	Page #
AGREEMENT	1
DEFINITIONS	1
COVERAGES	1-2
PERILS INSURED AGAINST.....	2
PERILS EXCLUDED.....	2-3
OTHER COVERAGES	3
CONDITIONS	3-6

Residential Flood Coverage Form

AGREEMENT

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

DEFINITIONS

Throughout this policy "you" and "your" refer to the "Named Insured Mortgagee," and the "Additional Named Insured" shown in the Declarations. "We," "our," and "us" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. "Base flood" means the flood having a one percent chance of being equaled or exceeded in any given year.
2. "Actual Cash Value" means the cost to repair or replace at the time of loss, less depreciation.
3. "Post-FIRM building" means a building for which the start of construction or substantial improvement occurred after December 31, 1974, or on or after the effective date of the initial Flood Insurance Rate Map (FIRM) for the community in which the building is located, whichever is later.

COVERAGES

This insurance applies to the Described Dwelling Property for which an Additional Named Insured Endorsement has been issued, upon which a Covered Structure(s) is situated and which is not otherwise excluded.

1. Covered Structures

We cover:

- a. the dwelling on the Described Dwelling Property, used principally for dwelling purposes not to exceed four (4) living units including, but not limited to, individually owned townhouses or permanently situated mobile homes;
- b. structures attached to the dwelling;
- c. materials and supplies on or adjacent to the Described Dwelling Property for use in the construction, alteration, or repair of the dwelling or other structures on this location; and
- d. if not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Dwelling Property.

2. Property Not Covered

- a. Personal Property or contents of any kind.
- b. Fenced retaining walls, seawalls, swimming pools, bulkheads, wharves, piers, bridges, docks; other open structures located on or over water, including boat houses or similar structures or buildings into which boats are floated or moored.
- c. Land values, lawn, trees, shrubs or plants, signs, growing crops, or livestock; underground structures and equipment including wells, septic tanks or septic systems; those portions of walks, walkways, driveways, patios, and other surfaces, all of whatever kind of construction, located outside the perimeter, exterior walls of the Covered Structure.
- d. Buildings, including machinery and equipment which are part of the building, where more than 49 percent of the Actual Cash Value of such buildings is below ground, unless the lowest level is at or above the Base Flood elevation or the adjacent ground level by reason of earth having been used as an insulation material in conjunction with energy efficient building techniques.
- e. aircraft, any self-propelled vehicle or machine and motor vehicles, including their parts and equipment, trailers on wheels and other recreational vehicles whether affixed to a permanent foundation or on wheels; watercraft, including their furnishings and equipment.
- f. Enclosures, contents, machinery, building components, equipment and fixtures located at an elevation lower than the lowest elevated floor of an elevated Post-FIRM building (except for the required utility connections and the footing, foundation, posts, pilings, piers or other foundation walls and anchorage system as required for the support of the elevated Post-FIRM building), including a manufactured (i.e., mobile) home; finished basement walls, floors, ceilings and other improvements to a basement having its floor subgrade on all sides (except for drywalls and sheetrock walls and ceilings, whether finished or unfinished, all only to the extent of replacing them with unfinished (i.e., nailed to framing but not taped or otherwise finished with paint or other covering, drywall or sheetrock ceilings or walls, and except for fiberglass insulation) and

contents, machinery, building equipment and fixtures in such basement areas; except that, as to this subparagraph (F), coverage is provided in basement areas and in areas below the lowest elevated floor of an elevated Post-FIRM building for sump pumps, well-water tanks, well-water tank pumps, oil tanks and the oil in them, cisterns and the water in them, natural gas tanks and the gas in them, pumps and/or tanks used in conjunction with solar energy systems, furnaces, hot water heaters, air conditioners, heat pumps and electrical junction and circuit breaker boxes; and coverage is also provided in basement areas and in areas below the lowest elevated floor of an elevated Post-FIRM building for stairways and staircases attached to the building which are not separated from the building by elevated walkways and for elevators and relevant equipment, except for such relevant equipment located below the base floor elevation if such relevant equipment was installed on or after October 1, 1987.

- g. A manufactured (i.e., mobile) home located or placed within a Federal Emergency Management Agency designated Special Flood Hazard Area that is not anchored to a permanent foundation to resist flotation, collapse, or lateral movement (i) by over-the-top or frame ties to ground anchors or (ii) in accordance with manufacturer's specifications or (iii) in compliance with the community's flood plain management requirements.
- h. Units or structures which are primarily containers, rather than buildings (such as gas and liquid tanks).
- i. A building newly constructed or substantially improved on or after October 1, 1983, in an area designated as an undeveloped coastal barrier within the Coastal Barrier Resource System established by the Coastal Barrier Resources Act (Pub. L 97-348).

PERILS INSURED AGAINST

We insure against all direct physical loss or damage to covered property by and from the peril of "Flood" as defined below:

"Flood" or "Flooding" means:

- 1. a general and temporary condition of partial or complete inundation of normally dry land areas from:
 - a. The overflow of inland or tidal waters;
 - b. The unusual and rapid accumulation or runoff of surface waters from any source; or
 - c. Mudslides (i.e., mudflows) which are proximately caused by Flooding as defined above and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas, including the Described Dwelling Property, as when earth is carried by a current of water and deposited along the path of the current.
- 2. The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in Flooding as defined in 1a above.

PERILS EXCLUDED

- 1. Loss caused by theft, fire, windstorm, wind, explosion, earthquake, land sinkage, land subsidence, landslide, destabilization or movement of land and consequential loss, including loss of income or profits, resulting from the accumulation of water in subsurface land areas, gradual erosion, or any other earth movement except such mudslides (i.e. mudflows) or erosion as is covered under the peril of "Flood".
- 2. Loss caused by rain, snow, sleet, hail, water spray, freezing, thawing, the pressure or weight of ice or water sewer backup or seepage of water unless the property covered has been, for the same time, damaged by a "Flood".
- 3. Water, moisture or mudslide (i.e., mudflow) damage resulting primarily from any condition substantially confined to the insured building or from any condition which is within the control of the Named or Additional Named Insured (including but not limited to design, structural or mechanical defects, failures, stoppages, or breakages of water of sewer lines, drains, pumps, fixtures, or equipment).
- 4. Loss which is in progress as of 12:01 A.M. of the first day of the policy term.
- 5. Loss from a "Flood" which is confined to the Described Dwelling Property on which your Covered Structure is situated, unless the "Flood" is displaced over two acres of the Described Dwelling Property.
- 6. Loss caused by or contributed to in any manner due by your modification to the Described Dwelling Property on which the Covered Structure is situated which materially increased the risk of "Flooding". ,
- 7. Loss caused intentionally by you. This exclusion shall not apply to the interest of an innocent co-insured when any other insured intentionally causes a loss.

8. Loss caused by or resulting from power, heating or cooling failure, unless such failure results from physical damage to power, heating or cooling equipment situated on the Described Dwelling Property where the Covered Structure is situated, caused by "Flood".
9. Loss caused directly or indirectly by (1) hostile or warlike action in time of peace or war including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces, or (b) by military, naval or air forces, or (c) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces; (2) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence;
10. Loss caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "Flood".

OTHER COVERAGES

1. Other Structures

Subject to the provisions of this article, we cover other structures on the Described Dwelling Property, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line or similar connection are considered to be other structures.

We do not cover other structures:

- a. used in whole or in part for commercial, manufacturing or farming purposes; or
- b. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The amount of insurance on other structures shall be limited to 10% of the dwelling coverage as an additional amount of insurance.

2. Debris Removal

Within the limits of your coverage, we cover any expense you incur as a result of removing debris of, on or from the Described Dwelling Property so long as the debris problem was directly caused by a "Flood", including the value of your own for and the labor of members of your household at prevailing Federal minimum wage rates.

3. Loss Prevention Expenses

We cover the reasonable expenses incurred by you for the purchase of (i) sandbags, including sand to fill them and plastic sheeting and lumber used in connection with them, (ii) fill for temporary levees, (iii) pumps, and (iv) wood, all for the purpose of protecting the Covered Structure due to the imminent danger of a "Flood" loss, including the value of your labor and the labor of members of your household at prevailing Federal minimum wage rates, in an aggregate amount up to the amount of \$500. The policy's deductible amount, as indicated on the Additional Named Insured Endorsement, shall not be applied to this reimbursement, but shall be applied to any other benefits under the policy's coverage. For reimbursement under this article to apply, the following conditions must be met:

- (i) The insured property must be in imminent danger of sustaining "Flood" damage; and
- (ii) The threat of "Flood" damage must be of such imminence as to lead a person of common prudence to apprehend "Flood" damage; and
- (iii) A general and temporary condition of "Flooding" in the area must occur, even if the "Flooding" does not reach the insured property, or a legally authorized official must issue an evacuation order or other civil order for the community in which the insured property is located calling for measures to preserve life and property from the peril of "Flood".

CONDITIONS

1. **Policy Period.** This Policy applies only to loss which occurs during the policy period.
2. **Other Insurance.** This policy prohibits other insurance. In the event that the Additional Named Insured (mortgagor) has voluntary insurance with an effective date on or before the effective date of any coverage issued under this policy, this policy will be cancelled on its effective date and all premiums will be refunded. In the event that the Additional Named Insured (mortgagor) obtains insurance during the term of any coverage issued under this policy, this policy will be cancelled as of the effective date of such coverage and the premium will be refunded on a pro rata basis.

3. **Insurable Interest and Amount of Insurance.** Even if more than one person has an insurable interest in the Described Dwelling Property covered, we shall not be liable for:

- a. an amount greater than the interest of the persons insured under this policy; or
- b. more than the amount of insurance that applies, whichever is less.

If the Described Property is vacant and the mortgage on the property has been declared in default by the mortgagee at the time of a loss, we shall be liable for no more than the Mortgagee's interest in the property at the time of loss.

The Mortgagee's interest is represented by the mortgagor's unpaid balance, less unearned interest and finance charges, less unearned insurance premiums, less collection and foreclosure expenses, and less late charges and penalties added to the mortgagor's unpaid balance after the inception date of this policy.

4. **Concealment or Fraud.** We do not provide coverage if you have intentionally concealed or misrepresented any material fact or circumstance relating to this insurance. We do not provide coverage if you have acted fraudulently or made false statements relating to this insurance whether before or after loss.

5. **Your Duties After Loss.** In case of a loss to which this insurance may apply, you shall see that the following duties are performed:

- a. give immediate notice to us or our agent;
- b. protect the property from further damage, make reasonable and necessary repairs required to protect the property, and keep an accurate record of repair expenditures;
- c. exhibit the damaged property as often as we reasonably require;
- d. submit to signed statements and examinations under oath; and
- e. submit to us, within 60 days after we request, your signed, sworn statement of loss which sets forth, to the best of your knowledge and belief:
 - (1) the time and cause of loss;
 - (2) the interest of you and all others in the property involved and all encumbrances on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term of the policy; and
 - (5) specifications of any damaged building and detailed estimates for repair of the damage.

6. **Loss Settlement.** Covered property losses are settled as follows:

A. Buildings at replacement cost without deduction for depreciation, subject to the following:

(1) We will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the smallest of the following amounts:

- (a) the amount of insurance under this policy applying to the Covered Structure;
- (b) the replacement cost of that part of the Covered Structure damaged for equivalent construction and use on the same premises; or
- (c) the amount actually and necessarily spent to repair or replace the damaged Covered Structure.

If the full cost to repair or replace the damaged property is more than \$1,000 or more than 5% of the amount of insurance for the Covered Structure, we will pay no more than the Actual Cash Value until actual repair or replacement is completed.

You may disregard these replacement cost loss settlement provisions when making a claim. You may claim loss to Covered Structures on Actual Cash Value basis. If you do, you may make further claim within 180 days after the loss based upon and for any specific additional cost to you actually incurred within that period in replacing the damaged property on a replacement cost basis.

B. Loss to the following types of property will be settled at the Actual Cash Value of the damaged property at the time of loss.

- (1) Structures that are not buildings.
- (2) Antennas, carpeting, awnings, and outdoor equipment defined as Covered Structures, all whether or not attached to buildings

We will not pay more than the smallest of:

- (1) the cost to repair or replace the damaged property with property of like kind and quality;
- (2) the Actual Cash Value of the damaged property; or
- (3) the amount of insurance of this policy applying to the property.

7. **Salvage and Recoveries:** When, in connection with any loss covered by this policy, any salvage or recovery is received subsequent to the payment of such loss, the loss shall be refigured on the basis of what it would have been settled for had the amount of salvage or recovery been known at the time the amount of loss was

originally determined. Any amounts thus found to be due any party, including us, shall be promptly paid or reimbursed.

8. **Our Option.** If we give you written notice within 30 days after we receive your signed, sworn statement of loss, we may repair or replace any part of the property damaged with equivalent property.
9. **Loss Clause:** Payment of any loss under this policy shall not reduce the amount of insurance applicable to any other loss during the policy term which arises out of a separate occurrence of "Flood"; provided that all loss arising out of a continuous or protracted occurrence shall be deemed to constitute loss arising out of a single occurrence.
10. **Loss to a Pair or Set.** In case of loss to a pair or set, we may elect to:
 - a. repair or replace any part to restore the pair or set to its value before the loss; or
 - b. pay the difference between Actual Cash Value of the property before and after the loss.
11. **Glass Replacement.** Covered loss to glass shall be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
12. **Loss Payment.** We will adjust all losses with the Named Insured Mortgagee. Payment for loss will be made within 60 days after we reach agreement with the Named Insured Mortgagee, entry of a final court judgment, or the filing of an approved award with us. Loss will be made payable to the Named Insured Mortgagee and the Additional Named Insured as their interests appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at our option. No coverage will be available to any mortgagee other than that shown as the Named Insured Mortgagee on the Declarations page of this policy.
13. **Appraisal.** If the Named Insured Mortgagee and we fail to agree on the actual cash value or amount of loss, either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, the Named Insured Mortgagee or we can ask a judge of a court of record in the state of the Described Dwelling Property to select an umpire.

The appraisers will appraise the loss, based on the method of payments specified in the policy for each item. If the appraisers submit a written report of an agreement to us, that amount will be the Actual Cash Value or amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award by any two will determine the amount of loss.

Each party will pay the appraiser it chooses and his expenses, and equally pay expenses for the umpire and all other expenses of the appraisal.
14. **Our Rights (Subrogation).** In the event of any claim under this policy, we are entitled to all your rights of recovery against another person. You must sign and deliver to us any legal papers relating to that recovery, do whatever else is necessary to help us exercise those rights and do nothing after loss to prejudice our rights. When you have made a claim under this policy and also recover from another person, the amount recovered from the other person shall be held by you in trust for us and reimbursed to us to the extent of any damages paid by us under this policy.
15. **Suit Against Us.** No action shall be brought unless there has been compliance with the policy provisions and the action is started within one year after the date of loss.
16. **Abandonment of Property.** You must take all reasonable steps to protect the property which a prudent interested party would take in the absence of this or other insurance. We need not accept any property abandoned by you.
17. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.
18. **Cancellation.**
 - a. The intent of this policy is to provide coverage for the Named Insured Mortgagee if the Additional Named Insured (mortgagor) fails to provide insurance which meets the requirements of the Named Insured Mortgagee. If the Named Insured Mortgagee no longer has an interest in the mortgaged property, this policy may be cancelled as of the effective date that the Named Insured Mortgagee no longer has an interest or at the election of the Named Insured Mortgagee this policy may remain in force until the expiration date shown on the individual certificate or policy of insurance. If the Additional Named Insured (mortgagor) provides evidence of insurance or if it is determined that the property insured by this policy is insured by "other insurance", this policy will be cancelled as of the effective date of the other insurance and all unearned premium will be refunded. If Additional Named Insured (mortgagor) provides evidence of

insurance that meets the requirements of the Named Insured Mortgagee, this policy will be cancelled as of the effective date of the policy provided by the Additional Named Insured (mortgagor) and all unearned premium will be refunded on a pro rata basis.

- b. This policy may also be canceled by the Additional Named Insured by returning it to us or notifying us in writing of the date cancellation is to take effect
- c. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the declarations.

Proof of mailing will be sufficient proof of notice.

- (1) We may cancel this policy by mailing notice of cancellation to the Additional Named Insured at the address shown on the Additional Insured Endorsement or by delivering the notice not less than 30 days prior to the effective date of the cancellation.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy, or
 - (b) if the risk has changed substantially since the policy was issued.

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

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

- d. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- e. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

- 19. **Non-Renewal.** We may elect to not renew this policy. If the Named Insured Mortgagee no longer has an interest in the policy as of the expiration of the policy term, this policy will not be renewed. If the policy is not renewed, a non renewal notice will be provided to the Additional Named Insured (mortgagor) by written notice within the number of days required by the insurance statutes of the state where the property is located. Notice will be sent to the last known address of the Additional Named Insured (mortgagor). Proof of mailing will be sufficient proof of notice.
- 20. **Liberalization Clause.** If we adopt any revision which would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.
- 21. **Waiver or change of Policy Provisions.** A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination shall not waive any of our rights. No course of conduct nor any indulgences, waivers, extensions, forbearances, non-enforcement of policy conditions, or the like, extended at or over any time or from time to time by the Company to the Named Insured Mortgagee or anyone shall waive, nullify, or modify any policy provision as to any other occasion or waive, nullify, or modify any other policy provision.
- 22. **Assignment.** Assignment of this policy shall not be valid unless we give our written consent.

INCREASED COST OF COMPLIANCE ENDORSEMENT

This form attaches to and modifies the Residential Flood Coverage Form.

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

Under “**Other Coverages**”, **4. Increased Cost of Compliance** is added:

We will pay up to \$30,000 per “covered structure” for losses arising out of a floodplain management ordinance or law affecting repair and reconstruction after a direct loss caused by a “flood”. These ordinance or laws involve elevation, floodproofing, relocation, or demolition of the “covered structure”.

This coverage applies in addition to the coverage you purchased on your residence. No separate deductible applies.

ELIGIBILITY- A structure covered under **Covered Structures** sustaining a loss caused by “flood” as defined by this policy must:

1. Be a structure that is a “repetitive loss structure”.
2. Be a structure that has had “flood” damage in which the cost to repair equals or exceeds 50% of the market value of the “covered structure” at the time of the “flood” event. The state or community must have a substantial damage provision in its floodplain management law or ordinance being enforced against.

This coverage will not pay for Increased Cost of Compliance to meet state or community floodplain management laws or ordinances which exceed the minimum criteria of 44 CFR 60.3, except as provided in 1. above or (a) or (b) as follows:

- (a) Elevation or floodproofing in any risk zone to preliminary or advisory “base flood” elevations provided by “FEMA” which the state or local government has adopted and is enforcing for “flood” damage structures in such areas.

This includes compliance activities in B, C, X or D zones which are being changed to zones with “base flood” elevations. This also includes compliance activities in zones where “base flood” elevations are being increased, and the “flood” damaged “covered structure” must comply with the higher advisory “base flood” elevation.

Coverage under this endorsement does not respond to situations in B, C, X, or D zones where the community has derived its own elevations and is enforcing elevation requirements for “flood” damaged structures to elevations derived solely by the community.

- (b) Elevation or floodproofing above the “base flood” elevation to meet state or local “freeboard” requirements, i.e., that a structure must be elevated above the “base flood” elevation.

Under the minimum NFIP criteria at 44 CFR 60.3(b)(4), states and communities must require the elevation or floodproofing of structures in unnumbered A zones to the “base flood” elevation where elevation data are obtained from a Federal, State or other source. Such compliance activities are also eligible for this coverage.

This coverage will also pay for the incremental cost, after demolition or relocation, of elevating or floodproofing the “covered structure” during its rebuilding at the same or another site to meet state or local floodplain management laws or ordinances, subject to Perils Excluded (17).

This coverage will also pay to bring the “flood” damaged “covered structure” into compliance with state or local floodplain management laws or ordinances even if the structure had received a variance before the present loss from the applicable floodplain management requirements.

Under “**CONDITIONS**”, **6. Loss Settlement**, item **C.** is added:

- C.** When a “covered structure” sustains a loss caused by a “flood” as defined by this policy, our payment for the loss under this coverage will be for the increased cost to elevate, floodproof, relocate, demolish or any combination thereof, caused by enforcement of current state or local floodplain management ordinances or laws. Our payment for eligible demolition activities will be for the cost to demolish and clear the site of the “covered structure”, or a portion thereof, caused by enforcement of the current state or local floodplain management ordinances or laws. Eligible activities for the cost of clearing the site will include those necessary to discontinue utility service to the site and ensure abandonment of on-site facilities.

When the "covered structure" is repaired or rebuilt, it must be intended for the same occupancy as the "covered structure" unless otherwise required by current floodplain management ordinances or laws.

Under "**PERILS EXCLUDED**", exclusions **11-22** are added:

11. Loss associated with enforcement of any floodplain management ordinance or law in communities participating in the "Emergency Program".
12. Loss associated with enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.
Pollutants include but are not limited to any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed.
13. Loss in value to any "covered structure" or other structure due to the requirements of any ordinance or law.
14. Loss in residual value of the undamaged portion of a "covered structure" demolished as a consequence of enforcement of any state or local floodplain management law or ordinance.
15. Any increased cost of compliance under this coverage:
 - (a) Until the covered "covered structure" is actually elevated, floodproofed, demolished or relocated on the same or to another premises, and
 - (b) Unless the "covered structure" is elevated, floodproofed, demolished or relocated as soon as reasonably possible after the loss, not to exceed two years.
16. Loss associated with any code upgrade requirements, e.g., plumbing or electrical wiring, not specifically related to the state or local floodplain management law or ordinances.
17. Loss associated with any compliance activities needed to bring additions or improvements made after the loss occurred into compliance with state or local floodplain management laws or ordinances.
18. Loss due to any ordinance or law that you were required to comply with before the current loss.
19. Loss associated with any rebuilding activity to standards that do not meet the NFIP's minimum requirements. This includes any situation where the insured has received from the state or community a variance in connection with the current "flood" loss to rebuild the property to an elevation below the "base flood" elevation.
20. Loss associated with increased cost of compliance for appurtenant structure(s).
21. Loss to any structure insured under a Group Flood Insurance Policy issued pursuant to K 44 CFR 61.17.
22. Loss associated with any assessments made by a "condominium association" on individual condominium unit" owners to pay increased costs of repairing commonly-owned buildings after a "flood" in compliance with state or local floodplain management ordinances or laws.

Under "**DEFINITIONS**", the following definitions are added:

4. "Emergency Program Community" means a community wherein a Flood Hazard Boundary Map {FHBM} is in effect and only limited amounts are available under the "Act".
5. "FEMA" means Federal Emergency Management Agency.
6. "Repetitive loss structure" means a structure:
 - a. covered by a NFIP "flood" insurance policy; or
 - b. a "flood" insurance policy issued under this program;that has incurred flood-related damage on two occasions during a 10 year period ending on the date of the event for which a second claim is made, in which the cost of repairing the "flood" equaled or exceeded 25% of the market value of the structure at the time of such "flood" event.
In addition to the current claim, the "National Flood Insurance Program" (NFIP) must have paid the previous qualifying claim or the previous qualifying claim must have been paid under this "flood" insurance program, and the state or community has a cumulative, substantial damage provision or repetitive loss provision in its flood plain management law or ordinance being enforced against the structure.
7. "Covered Structure" means the Described Dwelling Property, as defined in the Residential Flood Coverage Form, **COVERAGES, 1. Covered Structures**.

All other provisions of this policy apply.

REAL ESTATE OWNED (REO) ENDORSEMENT

The attachment of this endorsement to the policy issued under the Residential Flood Coverage Form is hereby extended to include properties owned by the named insured mortgagee as a result of foreclosure or properties held by the lender as a result of a trust agreement. "Eligible Real Estate" indicated on the policy declaration is changed to read:

Coverage applies to Residential (dwelling only) in which the Named Insured Mortgagee has an insurable interest as mortgagee, as servicing agent by written agreement, as owner of real estate property through foreclosure, or as trustee by agreement. Individual covered properties are specified in the Additional Named Insured Certificate issued under this policy or listed on a log of REO properties provided to the company on a periodic basis.

All other terms and conditions of the policy remain unchanged.

CBRA/CHRA/NON PARTICIPATING COMMUNITY ENDORSEMENT

“Coverages” 2. “Property Not Covered”, Item i. of the Residential Flood Coverage Form is deleted in its entirety if this endorsement is attached to the individual policy and the premium has been paid.

In the event that the company determines the Residential Flood Coverage Form insures a property located within a CBRA/CHRA/Non Participating Community at any time during the term of the policy, including following a loss, the insured mortgagee may request that this endorsement be attached to the policy, but only if the CBRA/CHRA property is located within a FEMA declared Special Flood Hazard Area. Coverage will not attach to the policy under this endorsement until the applicable premium has been paid. At the request of the named insured mortgagee, any premium due under this Endorsement may be offset against any loss payable under the terms of the Endorsement.

No loss adjustment may be made under the terms of this Endorsement until the applicable premium is paid in full.

All other terms and conditions of the policy remain unchanged.

WASHINGTON SPECIAL PROVISIONS

This endorsement attaches to and becomes a part of the Residential Flood Coverage Form.

CONDITIONS

- 4. Concealment or Fraud** is deleted and replaced by the following:
- 4. Concealment or Fraud.** With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:
- a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements with the intent to deceive;
- relating to this insurance.
- 5. Your Duties After Loss**, item a. is replaced by:
- a. give prompt notice to us or our agent;
- 6. Loss Settlement, A** is deleted and replaced by the following:
- 6. Loss Settlement.**
- A. Buildings at replacement cost without deduction for depreciation, subject to the following:
- (1) We will pay the cost to repair or replace with like kind and quality, without deduction for depreciation, but not exceeding the smallest of the following amounts:
 - (a) the amount of insurance under this policy applying to the Covered Structure;
 - (b) the replacement cost of that part of the Covered Structure damaged for equivalent construction and use on the same premises; or
 - (c) the amount actually and necessarily spent to repair or replace the damaged Covered Structure.
- If the full cost to repair or replace the damaged property is more than \$1,000 or more than 5% of the amount of insurance for the Covered Structure, we will pay no more than the Actual Cash Value until actual repair or replacement is completed.
- You may disregard these replacement cost loss settlement provisions when making a claim. You may claim loss to Covered Structures on Actual Cash Value basis. If you do, you may make further claim within 180 days after the loss based upon and for any specific additional cost to you actually incurred within that period in replacing the damaged property on a replacement cost basis.
- 12. Loss Payment** is deleted and replaced by the following:
- We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:
- a. Reach an agreement with you;
 - b. There is an entry of a final judgment; or
 - c. There is a filing of an appraisal award with us.
- 14. Our Rights** (Subrogation) is deleted and replaced by:
- You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.
- If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.
- 18. Cancellation** is deleted and replaced by the following:
- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
 - b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice, together with our reason for cancellation, will be mailed to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records. Proof of mailing will be sufficient proof of notice.
 - (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 45 days before the date cancellation takes effect.

- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
 - (b) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 45 days before the date cancellation takes effect.

- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 45 days before the date cancellation takes effect.

However, with respect to Paragraphs b. (2), (3) and (4) above, if two or more of the following conditions exist at any building that is covered under this policy, we may cancel this policy by letting you and, if applicable, your agent or broker know at least 5 days before the date cancellation takes effect. We will also let any mortgagee or other person shown by the policy to have an interest in a covered loss know at least 20 days before the date cancellation takes effect.

- (1) Without reasonable explanation, the building is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days unless the building is maintained for seasonal occupancy or is under construction or repair;
 - (2) Without reasonable explanation, progress toward completion of permanent repairs to the building has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
 - (3) Because of its physical condition, the building is in danger of collapse;
 - (4) Because of its physical condition, a vacation or demolition order has been issued for the building, or it has been declared unsafe in accordance with applicable law;
 - (5) Fixed and salvageable items have been removed from the building, indicating an intent to vacate the building;
 - (6) Without reasonable explanation, heat, water, sewer, and electricity are not furnished for the building for 60 consecutive days; or
 - (7) The building is not maintained in substantial compliance with fire, safety and building codes.
- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 - d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it as soon as possible, but no later than:
 - (1) 45 days after we send a notice of cancellation to you; or
 - (2) 30 days after we receive the policy or a notice of cancellation from you.
 - e. Except as noted above, if the policy is canceled by us, we will give the same advance notice of cancellation in writing to any mortgagee or other person shown by the policy to have an interest in a covered loss as we give to you. The cancellation notice may be delivered or mailed; if mailed, proof of mailing will be sufficient proof of notice.

19. Nonrenewal is deleted and replaced by the following:

We may elect not to renew this policy. We may do so by mailing to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records, written notice, including our reason for refusing to renew, at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

If we have offered in writing, either directly or through our agent, at least 20 days before the expiration date of this policy, to renew this policy, and have included a statement of the renewal premium due, we may terminate this policy on its expiration date if you fail to pay the required premium when due.

For the purpose of determining the date when nonrenewal can be effected: A policy with a term of six months or less is considered as if written for a policy period of six months. A policy written for a term longer than one year or a policy with no fixed expiration date is considered as if written for a period of one year.

All other provisions of this policy apply.

SPECIAL CONDITIONS:

1. **Term:** Coverage shall apply to each individual covered property during the policy period specified on each individual Additional Named Insured Certificate. If the insurance afforded by this policy is also provided by other insurance terminating at noon on the inception date of coverage, insurance under this policy shall not become effective until such other insurance has terminated.
2. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
3. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
4. **Foreclosure:** If through foreclosure the Additional Named Insured loses his interest in the property, all provisions of this policy will still apply as though "mortgagee" was changed to read "owner through foreclosure" throughout, except that there is no "Additional Insured".
5. The policy, including all endorsements attached thereto, contain the entire contract between the insured(s) and Company.

QBE Insurance Corporation
88 Pine Street 16th Floor
New York, NY 10005
 Home Office: c/o CT Corporation
1515 Market Street, Suite 1210
Philadelphia, PA 19102

LOAN NUMBER

Additional Named Insured Certificate

ADDITIONAL NAMED INSURED

NAME AND ADDRESS (Street No., City, State, Zip)

NAMED INSURED MORTGAGEE

NAME AND ADDRESS

		Amount of Insurance	Premium
POLICY NUMBER	Dwelling	\$	\$
POLICY TERM: FROM TO <input type="checkbox"/> NOON <input type="checkbox"/> 12:01 AM	Personal Property Endorsement	\$	\$
	Additional Living Expense Endorsement	\$	\$
	Other Endorsements		\$
	Deductible - per loss occurrence		
DESCRIBED LOCATION (if different from mailing address)	Property is VACANT at time of loss	\$	
	Vandalism & Malicious Mischief	\$	
	All Other Covered Losses	\$	
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.	Limit of Liability		Premium
	Personal Liability Endorsement	\$	\$
	Medical Payments	\$	
	MUNICIPAL TAXES	Tax Code	\$
	OTHER TAXES		\$
TOTAL CHARGES			\$

NOTICE TO ADDITIONAL NAMED INSURED (BORROWER):

THIS INSURANCE WILL NOT PROVIDE COVERAGE FOR AN AMOUNT GREATER THAN THE AMOUNT OF INSURANCE SHOWN ABOVE. THIS POLICY MAY NOT FULLY PROTECT YOUR INTEREST IN THE PROPERTY LISTED. THIS POLICY DOES NOT PROVIDE PERSONAL PROPERTY COVERAGE OR LIABILITY COVERAGE, UNLESS INDICATED ABOVE. PLEASE REFER TO THE ATTACHED FORM(S) FOR A FULL DESCRIPTION OF THE TERMS AND LIMITATIONS OF THIS COVERAGE.

Personal Property and Personal Liability Coverages - We will cover your personal property, additional living expense or Personal Liability under this policy ONLY if an "Amount of Insurance" or "Limit of Liability" and a premium are shown above. Coverage will be provided according to the terms and conditions of the endorsements attached to this policy. If no "Amount of Insurance" or "Limit of Liability" is shown and no premium is shown no coverage will be provided for Personal Property, Additional Living Expense or Personal Liability. These endorsements are available only for a residence that is owner occupied. **These coverages are void if the residence is vacant or occupied by someone other than the Additional Named Insured shown above at the time of loss.**

DEDUCTIBLES: Please refer to the deductibles shown above for the coverage provided by this policy.

Subject to the terms and provisions of this policy and the coverage forms and endorsements attached hereto, it is agreed that the insurance applies to the property described above and to any person shown as an Additional Named Insured with respect to such property, subject to the following additional provisions:

- (a) The above Named Insured Mortgagee is authorized to advance all funds to be recovered from the Additional Named Insured for the insurance afforded.
- (b) Loss, if any, shall be adjusted with and payable to the above Named Insured Mortgagee and the Additional Named Insured as their interest may appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at the company's option.

For Customer Service questions, please call our toll free Customer Service Number at: XXX-XXX-XXXX

To report a CLAIM, please contact our Claim Department at: XXX-XXX-XXXX

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

Additional Named Insured Certificate - Junior Mortgage

LOAN NUMBER

ADDITIONAL NAMED INSURED
 NAME AND ADDRESS (Street No., City, State, Zip)

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

POLICY NUMBER	Amount of Insurance \$ _____	Premium \$ _____				
POLICY TERM: FROM TO <input type="checkbox"/> NOON <input type="checkbox"/> 12:01 AM <small>IF WE ELECT TO CONTINUE THIS INSURANCE, WE WILL RENEW THIS POLICY IF YOU PAY THE REQUIRED RENEWAL PREMIUM FOR EACH SUCCESSIVE POLICY PERIOD, SUBJECT TO OUR RATES, RULES AND FORMS THEN IN EFFECT. YOU MUST PAY US PRIOR TO THE END OF THE CURRENT POLICY PERIOD OR ELSE THIS POLICY WILL EXPIRE.</small>	Dwelling					
DESCRIBED LOCATION (if different from mailing address)	Deductible - per loss occurrence Property is VACANT at time of loss \$ Vandalism & Malicious Mischief \$ All Other Covered Losses \$					
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.	MUNICIPAL TAXES	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Tax Code</td> <td style="width: 40%; text-align: center;">\$</td> </tr> <tr> <td>OTHER TAXES</td> <td style="text-align: center;">\$</td> </tr> </table>	Tax Code	\$	OTHER TAXES	\$
Tax Code	\$					
OTHER TAXES	\$					
	TOTAL CHARGES	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">\$</td> </tr> </table>	\$			
\$						

NOTICE TO ADDITIONAL NAMED INSURED (BORROWER):

This coverage satisfies the insurance requirements of your mortgage agreement with the above Mortgagee. It was placed according to the terms of your mortgage agreement, in absence of evidence that you have other such insurance protecting the Mortgagee's interest in the covered property. The premium has been added to your account with the Mortgagee. If you now have or should later obtain other insurance, please ask your agent or insurance company to notify the Mortgagee at the address shown so that your account may be credited with any applicable premium refund for termination of this coverage.

THIS INSURANCE WILL NOT PROVIDE COVERAGE FOR AN AMOUNT GREATER THAN THE AMOUNT OF INSURANCE SHOWN ABOVE. THIS POLICY MAY NOT FULLY PROTECT YOUR INTEREST IN THE PROPERTY LISTED. THIS POLICY DOES NOT PROVIDE PERSONAL PROPERTY COVERAGE OR LIABILITY COVERAGE OF ANY KIND. PLEASE REFER TO THE ATTACHED FORM(S) FOR A FULL DESCRIPTION OF THE TERMS AND LIMITATIONS OF THIS COVERAGE. It provides limited property coverage. In the event of a loss the Company's liability will not exceed, and in some instances may be less than the net unpaid balance you owe the Mortgagee at the time the loss is settled, less the deductible.

For Customer Service Questions, please call our toll free Customer Service Number at: XXX-XXX-XXXX

To Report a Claim, please contact our Claim Department at: XXX-XXX-XXXX

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

RESIDENTIAL PROPERTY

Additional Named Insured Certificate-Wind Only Coverage

LOAN NUMBER

ADDITIONAL NAMED INSURED

NAME AND ADDRESS (Street No., City, State, Zip)

Named Insured Mortgagee

NAME AND ADDRESS

		Amount of Insurance	Premium
POLICY NUMBER	Dwelling - Wind and Hail only	\$	\$
POLICY PERIOD: FROM TO 12:01 a.m. Standard Time at your Residence Address	Deductible - per loss	\$	
DESCRIBED LOCATION (if different from mailing address)			
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.	MUNICIPAL TAXES	Tax Code	\$
	OTHER TAXES		\$
	ANNUAL TOTAL CHARGES		\$

Subject to the terms and provisions of this policy and the coverage forms and endorsements attached hereto, it is agreed that the insurance applies to the property described above and to any person shown as an Additional Named Insured with respect to such property, subject to the following additional provisions:

- (a) The above Named Insured Mortgagee is authorized to advance all funds to be recovered from the Additional Named Insured for the insurance afforded.
- (b) Loss, if any, shall be adjusted with and payable to the above Named Insured Mortgagee and the Additional Named Insured as their interest may appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at the company's option.

DEDUCTIBLES: Please refer to the deductibles shown above for the coverage provided by this policy.

For Customer Service questions, please call our toll free Customer Service Number at: XXX-XXX-XXXX

To report a CLAIM, please contact our Claim Department at: XXX-XXX-XXXX

Dwelling Hazard Coverage Form

Table of Contents

	Page #
AGREEMENT	1
DEFINITIONS	1
COVERAGES	1
OTHER COVERAGES	1-2
PERILS INSURED AGAINST	2
GENERAL EXCLUSIONS	2-3
CONDITIONS	3-6

Dwelling Hazard Coverage Form

AGREEMENT

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

DEFINITIONS

In this policy, "you" and "your" refer to the "Named Insured Mortgagee" and the "Additional Named Insured" shown in the Declarations. "We", "us" and "our" refer to the Company providing this insurance.

COVERAGES

This insurance applies to the Described Location, Coverages for which an Amount of Insurance is shown and Perils Insured Against for which a Premium is stated.

COVERAGE A - Dwelling

We cover:

1. the dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes not to exceed four (4) living units, including, but not limited to, individually owned townhouses or permanently situated mobile homes;
2. structures attached to the dwelling;
3. materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
4. if not otherwise covered in this policy, building equipment, and outdoor equipment used for the service of and located on the Described Location.

This coverage does not apply to land, including land on which the dwelling is located.

COVERAGE B - Other Structures

We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. used in whole or in part for commercial, manufacturing or farming purposes; or
2. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

OTHER COVERAGES

1. **Other Structures.** You may use up to 10% of the Coverage A amount of insurance for loss by a Peril Insured Against to other structures described in Coverage B.

Use of this coverage does not reduce the Coverage A amount of insurance for the same loss.

2. **Debris Removal.** We will pay your reasonable expense for the removal of:
 - a. debris of covered property if a Peril Insured Against causes the loss; or
 - b. ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

Debris removal expense is included in the amount of insurance applying to Coverage A.

3. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. does not increase the amount of insurance that applies to the covered property;
- b. does not relieve you of your duties, in case of a loss to covered property, as set forth in Condition 4.b.

Reasonable Repairs is included in the amount of insurance applying to Coverage A.

4. Collapse. We insure for risk of direct damage physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:

- (1) hidden decay;
- (2) hidden insect or vermin damage;
- (3) weight of contents, equipment, animals or people;
- (4) weight of rain which collects on a roof;
- (5) use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items (1),(2),(3),(4) or (5) unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking or shrinking.

This coverage does not increase the amount of insurance applying to the damaged covered property.

PERILS INSURED AGAINST

COVERAGE A - DWELLING COVERAGE B - OTHER STRUCTURES

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property; however, we do not insure loss:

1. involving collapse, other than as provided in Other Coverages 4.;
2. caused by:
 - a. freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is being constructed;
 - b. freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (1) fence, pavement, patio or swimming pool;
 - (2) foundation, retaining wall or bulkhead; or
 - (3) pier, wharf or dock;
 - c. theft of property not part of a covered building or structure;
 - d. theft in or to a dwelling or structure under construction;
 - e. wind, hail, ice, snow or sleet to outdoor radio or television antennas and aerials including lead-in wiring, masts or towers;
 - f. constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance;
 - g.
 - (1) wear and tear, marring, deterioration;
 - (2) inherent vice, latent defect, mechanical breakdown;
 - (3) smog, rust or other corrosion, mold, wet or dry rot;
 - (4) smoke from agricultural smudging or industrial operations;
 - (5) discharge, dispersal, seepage, migration, release or escape of pollutants;
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
 - (6) settling, shrinking, bulging or expansion, including resultant cracking, or pavements, patios, foundations, walls, floors, roofs or ceilings; or
 - (7) birds, vermin, rodents, insects or domestic animals.If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.
3. excluded under General Exclusions.

Under items 1 and 2, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

GENERAL EXCLUSIONS

1. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.
 - a. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the use, construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.
 - b. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking; rising or shifting; unless direct loss by:
 - (1) fire;
 - (2) explosion; or
 - (3) breakage of glass or safety glazing material which is part of a building, storm door or storm window; ensues and then we will pay only for the ensuing loss.
 - c. **Water Damage**, meaning:
 - (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - (2) water which backs up through sewers or drains or which overflows from a sump; or
 - (3) water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.
 Direct loss by fire or explosion resulting from water damage is covered.
 - d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the Described Location. But, if a Peril Insured Against ensues on the Described Location, we will pay only for that ensuing loss.
 - e. **Neglect**, meaning your neglect to use all reasonable means to save and preserve property at and after the time of a loss.
 - f. **War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
 - g. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of the Conditions.
 - h. **Intentional Loss**, caused by you.
This exclusion shall not apply to the interest of an innocent co-insured when any other insured intentionally causes a loss.
2. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.
 - a. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;
 - b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;
 - c. **Faulty, inadequate or defective**:
 - (1) planning, zoning, development, surveying, siting;
 - (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) materials used in repair, construction, renovation or remodeling; or
 - (4) maintenance;
 of part or all of any property whether on or off the Described Location.
3. We do not insure trees, shrubs or other plants for losses of any kind.

CONDITIONS

1. **Policy Period**. This policy applies only to loss which occurs during the policy period.
2. **Insurable Interest and Amount of insurance**. Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
 - a. for an amount greater than the interest of a person insured under this policy; or
 - b. for more than the applicable amount of insurance.

If the Described Property is vacant and the mortgage on the property has been declared in default by the mortgagee at the time of a loss, we shall be liable for no more than the Mortgagee's interest in the property at the time of loss.

The mortgagee's interest is represented by the mortgagor's unpaid balance, less unearned interest and finance charges, less unearned insurance premiums, less collection and foreclosure expenses, and less late charges and penalties added to the mortgagor's unpaid balance after the inception date of this policy.

3. **Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, you have:
 - a. intentionally concealed or misrepresented any material fact or circumstance;
 - b. engaged in fraudulent conduct; or
 - c. made false statements;relating to this insurance.
4. **Your Duties After Loss.** In case of a loss to your covered property, you must see that the following are done:
 - a. give prompt notice to us or our agent;
 - b. (1) protect the property from further damage;
(2) make reasonable and necessary repairs to protect the property; and
(3) keep an accurate record of repair expenses;
 - c. as often as we reasonably require:
 - (1) show the damaged property;
 - (2) provide us with records and documents we request and permit us to make copies; and
 - (3) submit to examination under oath, while not in the presence of any other named insured, and sign the same;
 - d. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - (1) the time and cause of loss;
 - (2) your interest and that of all others in the property involved and all liens on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term of the policy;
 - (5) specifications of damaged buildings and detailed repair estimates;
5. **Loss Settlement.** Covered property losses are settled as follows:
 - a. (1) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
(2) Structures that are not buildings;
at actual cash value at the time of loss but not more than the amount required to repair or replace.
 - b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
 - (1) We will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (a.) the amount of insurance under this policy that applies to the building;
 - (b.) the replacement cost of that part of the building damaged for like construction and use on the same premises; or
 - (c.) the necessary amount actually spent to repair or replace the damaged building.
 - (2) We will pay no more than the actual cash value of the damage unless:
 - (a) actual repair or replacement is complete; or
 - (b) the cost to repair or replace the damage is both:
 - (i) less than 5% of the amount of insurance in this policy on the building; and
 - (ii) less than \$2,500.
 - (3) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim within 180 days after loss for any additional liability on a replacement cost basis.
6. **Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
7. **Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

8. Other Insurance. This policy prohibits other insurance. In the event that the Additional Named Insured (mortgagor) has voluntary insurance with an effective date on or before the effective date of any coverage issued under this policy, this policy will be cancelled on its effective date and all premiums will be refunded. In the event that the Additional Named Insured (mortgagor) obtains insurance during the term of any coverage issued under this policy, this policy will be cancelled as of the effective date of such coverage and the premium will be refunded on a pro rata basis.

9. Subrogation. You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by use.

If any assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

10. Suit Against Us. No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.

11. Our Option. If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

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

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

No coverage will be available to any mortgagee other than that shown as the Named Insured Mortgagee on the Declarations page of this policy.

13. Abandonment of Property. We need not accept any property abandoned by you.

14. No Benefit to Bailee. We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

15. Cancellation.

- a. The intent of this policy is to provide coverage for the Named Insured Mortgagee if the Additional Named Insured (mortgagor) fails to provide insurance which meets the requirements of the Named Insured Mortgagee. If the Named Insured Mortgagee no longer has an interest in the mortgaged property, this policy may be cancelled as of the effective date that the Named Insured Mortgagee no longer has an interest or at the election of the Named Insured Mortgagee this policy may remain in force until the expiration date shown on the individual certificate or policy of insurance. If the Additional Named Insured (mortgagor) provides evidence of insurance or if it is determined that the property insured by this policy is insured by "other insurance", this policy will be cancelled as of the effective date of the other insurance and all unearned premium will be refunded. If Additional Named Insured (mortgagor) provides evidence of insurance that meets the requirements of the Named Insured Mortgagee, this policy will be cancelled as of the effective date of the policy provided by the Additional Named Insured (mortgagor) and all unearned premium will be refunded on a pro rata basis.
- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the declarations.

Proof of mailing will be sufficient proof of notice.

- (1) We may cancel this policy by mailing notice of cancellation to the Additional Named Insured at the address shown on the Additional Named Insured Endorsement or by delivering the notice not less than 30 days prior to the effective date of the cancellation.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy, or
 - (b) if the risk has changed substantially since the policy was issued.

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

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

- d. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- e. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

16. Non-Renewal. We may elect to not renew this policy. If the Named Insured Mortgagee no longer has an interest in the policy as of the expiration of the policy term, this policy will not be renewed. If the policy is not renewed, a non renewal notice will be provided to the Additional Named Insured (mortgagor) by written notice within the number of days required by the insurance statutes of the state where the property is located. Notice will be sent to the last known address of the Additional Named Insured (mortgagor). Proof of mailing will be sufficient proof of notice.

17. Liberalization Clause. If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.

18. Waiver or Change of Policy Provisions. A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

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

20. Death. If you die, we insure:

- a. your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
- b. with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

21. Nuclear Hazard Clause.

- a. "Nuclear Hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
- c. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

22. Recovered Property. If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted on the amount you received for the recovered property.

23. Volcanic Eruption Period. One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

Dwelling Windstorm/Hail Coverage Form

AGREEMENT

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

DEFINITIONS

In this policy, "you" and "your" refer to the "Named Insured Mortgagee" and the "Additional Named Insured" shown in the Declarations. "We", "us" and "our" refer to the Company providing this insurance.

COVERAGES

This insurance applies to the Described Location, Coverages for which an Amount of Insurance is shown and Perils Insured Against for which a Premium is stated.

COVERAGE A - Dwelling

We cover:

1. the dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes not to exceed four (4) living units, including, but not limited to, individually owned townhouses or permanently situated mobile homes;
2. structures attached to the dwelling;
3. materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
4. if not otherwise covered in this policy, building equipment, and outdoor equipment used for the service of and located on the Described Location.

This coverage does not apply to land, including land on which the dwelling is located.

COVERAGE B - Other Structures

We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. used in whole or in part for commercial, manufacturing or farming purposes; or
2. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

OTHER COVERAGES

1. **Other Structures.** You may use up to 10% of the Coverage A amount of insurance for loss by a Peril Insured Against to other structures described in Coverage B.

Use of this coverage does not reduce the Coverage A amount of insurance for the same loss.

2. **Debris Removal.** We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against causes the loss.

Debris removal expense is included in the amount of insurance applying to Coverage A.

3. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. does not increase the amount of insurance that applies to the covered property;
- b. does not relieve you of your duties, in case of a loss to covered property, as set forth in Condition 4.b.

Reasonable Repairs is included in the amount of insurance applying to Coverage A.

PERILS INSURED AGAINST

COVERAGE A - DWELLING COVERAGE B - OTHER STRUCTURES

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property caused by **Windstorm or Hail**.

This peril does not include loss to property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

GENERAL EXCLUSIONS

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

1. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the use, construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.
2. **Water Damage**, meaning:
 - (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - (2) water which backs up through sewers or drains or which overflows from a sump; or
 - (3) water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.Direct loss by fire or explosion resulting from water damage is covered.
3. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the Described Location. But, if a Peril Insured Against ensues on the Described Location, we will pay only for that ensuing loss.
4. **Neglect**, meaning your neglect to use all reasonable means to save and preserve property at and after the time of a loss.
5. **War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
6. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of the Conditions.
7. **Intentional Loss**, meaning any loss arising out of any act committed:
 - (1) by or at the direction of you or any person or organization named as an additional insured; and
 - (2) with the intent to cause a loss.

We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

1. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;
2. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;
3. **Faulty, inadequate or defective**:
 - (1) planning, zoning, development, surveying, siting;
 - (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) materials used in repair, construction, renovation or remodeling; or
 - (4) maintenance;

of part or all of any property whether on or off the Described Location.

We do not insure trees, shrubs or other plants for losses of any kind.

CONDITIONS

1. **Policy Period**. This policy applies only to loss which occurs during the policy period.
2. **Insurable Interest and Amount of insurance**. Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
 - a. for an amount greater than the interest of a person insured under this policy; or
 - b. for more than the applicable amount of insurance.

If the Described Property is vacant and the mortgage on the property has been declared in default by the mortgagee at the time of a loss, we shall be liable for no more than the Mortgagee's interest in the property at the time of loss.

The mortgagee's interest is represented by the mortgagor's unpaid balance, less unearned interest and finance charges, less unearned insurance premiums, less collection and foreclosure expenses, and less late charges and penalties added to the mortgagor's unpaid balance after the inception date of this policy.

3. **Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, you have:
 - a. intentionally concealed or misrepresented any material fact or circumstance;
 - b. engaged in fraudulent conduct; or
 - c. made false statements;relating to this insurance.
4. **Your Duties After Loss.** In case of a loss to your covered property, you must see that the following are done:
 - a. give prompt notice to us or our agent;
 - b. (1) protect the property from further damage;
(2) make reasonable and necessary repairs to protect the property; and
(3) keep an accurate record of repair expenses;
 - c. as often as we reasonably require:
 - (1) show the damaged property;
 - (2) provide us with records and documents we request and permit us to make copies; and
 - (3) submit to examination under oath, while not in the presence of any other named insured, and sign the same;
 - d. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - (1) the time and cause of loss;
 - (2) your interest and that of all others in the property involved and all liens on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term of the policy;
 - (5) specifications of damaged buildings and detailed repair estimates;
5. **Loss Settlement.** Covered property losses are settled as follows:
 - a. (1) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
(2) Structures that are not buildings;
at actual cash value at the time of loss but not more than the amount required to repair or replace.
 - b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
 - (1) We will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (a.) the amount of insurance under this policy that applies to the building;
 - (b.) the replacement cost of that part of the building damaged for like construction and use on the same premises; or
 - (c.) the necessary amount actually spent to repair or replace the damaged building.
 - (2) We will pay no more than the actual cash value of the damage unless:
 - (a) actual repair or replacement is complete; or
 - (b) the cost to repair or replace the damage is both:
 - (i) less than 5% of the amount of insurance in this policy on the building; and
 - (ii) less than \$2,500.
 - (3) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim within 180 days after loss for any additional liability on a replacement cost basis.
6. **Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
7. **Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

8. Other Insurance. This policy prohibits other insurance. In the event that the Additional Named Insured (mortgagor) has voluntary insurance with an effective date on or before the effective date of any coverage issued under this policy, this policy will be cancelled on its effective date and all premiums will be refunded. In the event that the Additional Named Insured (mortgagor) obtains insurance during the term of any coverage issued under this policy, this policy will be cancelled as of the effective date of such coverage and the premium will be refunded on a pro rata basis.

9. Subrogation. You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by use.

If any assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

10. Suit Against Us. No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.

11. Our Option. If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

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

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

No coverage will be available to any mortgagee other than that shown as the Named Insured Mortgagee on the Declarations page of this policy.

13. Abandonment of Property. We need not accept any property abandoned by you.

14. No Benefit to Bailee. We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

15. Cancellation.

- a. The intent of this policy is to provide coverage for the Named Insured Mortgagee if the Additional Named Insured (mortgagor) fails to provide insurance which meets the requirements of the Named Insured Mortgagee. If the Named Insured Mortgagee no longer has an interest in the mortgaged property, this policy may be cancelled as of the effective date that the Named Insured Mortgagee no longer has an interest or at the election of the Named Insured Mortgagee this policy may remain in force until the expiration date shown on the individual certificate or policy of insurance. If the Additional Named Insured (mortgagor) provides evidence of insurance or if it is determined that the property insured by this policy is insured by "other insurance", this policy will be cancelled as of the effective date of the other insurance and all unearned premium will be refunded. If Additional Named Insured (mortgagor) provides evidence of insurance that meets the requirements of the Named Insured Mortgagee, this policy will be cancelled as of the effective date of the policy provided by the Additional Named Insured (mortgagor) and all unearned premium will be refunded on a pro rata basis.
- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the declarations.

Proof of mailing will be sufficient proof of notice.

- (1) We may cancel this policy by mailing notice of cancellation to the Additional Named Insured at the address shown on the Additional Named Insured Endorsement or by delivering the notice not less than 30 days prior to the effective date of the cancellation.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy, or
 - (b) if the risk has changed substantially since the policy was issued.This can be done by letting you know at least 30 days before the date cancellation takes effect.
- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

- d. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- e. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

16. Non-Renewal. We may elect to not renew this policy. If the Named Insured Mortgagee no longer has an interest in the policy as of the expiration of the policy term, this policy will not be renewed. If the policy is not renewed, a non renewal notice will be provided to the Additional Named Insured (mortgagor) by written notice within the number of days required by the insurance statutes of the state where the property is located. Notice will be sent to the last known address of the Additional Named Insured (mortgagor). Proof of mailing will be sufficient proof of notice.

17. Liberalization Clause. If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.

18. Waiver or Change of Policy Provisions. A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

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

20. Death. If you die, we insure:

- a. your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
- b. with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

21. Nuclear Hazard Clause.

- a. "Nuclear Hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
- c. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

22. Recovered Property. If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted on the amount you received for the recovered property.

PERSONAL PROPERTY ENDORSEMENT

We will provide the insurance described in this Endorsement in return for the premium and compliance with all provisions of this Endorsement. The coverage under this Endorsement shall apply only to the Additional Named Insured.

Throughout this Endorsement, "you" and "your" refer to the "Additional Named Insured" shown in the Declarations and his or her spouse if a resident of the same household. "We", "us", and "our" refer to the company providing this insurance. Certain other words and phrases are defined below. The policy is amended as follows:

Under "**COVERAGES**", **COVERAGE C - Personal Property** is added:

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location, provided the dwelling is not occupied by someone other than you or members of your family residing with you, or is not vacant for more than 30 days (if the dwelling is vacant, rented to others, or occupied by someone other than you and your family members residing with you, this coverage does not apply). At your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

Property Not Covered. We do not cover:

1. accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum, securities, silver other than silverware, tickets and stamps;
2. animals, birds or fish;
3. aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
4. motor vehicles or all other motorized land conveyances. This includes:
 - a. their equipment and accessories; or
 - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
 - (1) accessories or antennas; or
 - (2) tapes, wires, records, discs or other media for use with any such device or instrument;

while in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle licensing which are:

- a. used to service the Described Location; or
 - b. designed for assisting the handicapped;
5. watercraft;
 6. data, including data stored in:
 - a. books of account, drawings or other paper records; or
 - b. electronic data processing tapes, wires, records, discs or other software media.
 7. credit cards or fund transfer cards;
 8. trees, shrubs and plants.

If you move personal property from the Described Location to a newly acquired principal residence, the Coverage C Amount of Insurance will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the Amount of Insurance that the value at each residence bears to the total value of all personal property covered by this policy.

Under "OTHER COVERAGES", the following is added:

5. Property Removed. We insure covered personal property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the Amount of Insurance that applies to the personal property being removed.

Under "**CONDITIONS**," the following is added:

4. YOUR DUTIES AFTER LOSS:

- d.(6) An inventory of damaged personal property described in 4.f.
- e. Prepare an inventory of damaged personal property showing in detail, the quantity, description, actual cash value and amount of loss. Attach to the inventory all bills, receipts and related documents that substantiate the figures in the inventory.
- f. Notify the police in case of loss by theft.

5. LOSS SETTLEMENT:

- a.(3) Personal property;
At actual cash value at the time of loss but not more than the amount required to repair or replace.

26. Loss to a Pair or Set. In case of loss to pair or set we may elect to:

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

Amount of Insurance. The amount of insurance for this coverage is as shown on the declarations of the policy.

Special Limits of Liability. The limits listed below do not increase the limits stated on the declarations of this policy. The limit for each section is the total limit for each loss for all property named in each applicable section.

- 1. \$500 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
- 2. \$500 for loss by theft of firearms.
- 3. \$500 for loss by theft of silverware, semi-plated ware, gold-plated ware, and pewter ware. This includes flatware, goldware, tea sets, trays and trophies made of or including silver, gold, or pewter.

You may use up to 10% of the amount of insurance for loss by a Peril Insured Against (other than "Theft") to personal property covered while anywhere in the world. Use of this coverage reduces the personal property amount of insurance for the same loss.

PERILS INSURED AGAINST

We insure for direct loss to personal property caused by:

- 1. Fire or lightning.
- 2. Windstorm or hail.

This peril does not include loss to property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.
- 3. Explosion.
- 4. Riot or civil commotion.
- 5. Aircraft, including self-propelled missiles and spacecraft.
- 6. Vehicles.
- 7. Smoke, meaning sudden and accidental damage from smoke.
- 8. Vandalism or malicious mischief.

This peril does not include loss:

- a. by pilferage, theft, burglary or larceny; or
- b. to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss.

- 9. Damage by Burglars, meaning damage to covered personal property used by burglars.

This peril does not include loss:

- a. to property taken by burglars;
- b. to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss.

10. Falling Objects.

This peril does not include loss to property contained in the building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not covered.

11. Weight of ice, snow or sleet which causes damage to property contained in the building.

12. Collapse of buildings or any part of a building.

This peril does not include settling, cracking, shrinking, bulging, or expansion.

13. Accidental discharge or overflow of water or steam from within a plumbing, heating or air conditioning system or from within a household appliance.

This peril does not include loss:

- a. to the appliance from which the water or steam escaped;
- b. caused by or resulting from freezing;
- c. on the Described Location caused by accidental discharge or overflow which occurs off the described location; or
- d. to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss.

14. Sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning system, or an appliance for heating water.

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

15. Freezing of a plumbing, heating or air conditioning system or of a household appliance.

This peril does not include loss on the Described Location while the dwelling is unoccupied or being constructed, unless you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliances of water.

16. Sudden and accidental damage from artificially generated electrical current. This peril does not include loss to a tube, transistor or similar electronic components.

17. Theft, including attempted theft and loss of property from a known place when it is likely that the property has been stolen. This coverage is limited to personal property located inside the insured dwelling.

This peril does not include loss caused by theft:

- a. committed by the Additional Named Insured;
- b. in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
- c. from that part of the "Described Location" rented by an "Additional Named Insured" to other than an "Additional Named Insured".

CANCELLATION

1. You may cancel this Endorsement, without canceling the coverage on your dwelling, at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.

2. We may cancel this Endorsement without canceling the coverage on your dwelling by notifying you in writing of the date cancellation takes effect, as described in the policy.

ADDITIONAL LIVING EXPENSE

In return for an additional premium and in compliance with all the terms and conditions of the Dwelling Hazard Coverage Form, we will provide the insurance described in this Endorsement. The coverage under this Endorsement shall apply only to the Additional Named Insured.

Throughout this Endorsement, "you" and "your" refer to the "Additional Named Insured" shown in the Declarations and his or her spouse if a resident of the same household. "We", "us", and "our" refer to the company providing this insurance. Certain other words and phrases are defined below. The policy is amended as follows:

Under "COVERAGES", COVERAGE D - Additional Living Expense is added:

If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes the Described Location unfit for its normal use, we cover your:

Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the Described Location or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Additional Living Expense loss for no more than two weeks.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

Additional Living Expense does not include any coverage for Fair Rental Value.

Amount of Insurance. The amount of insurance for this coverage is as shown on the declarations of the policy.

Under "**CONDITIONS**", 4. Your Duties After Loss. D.(7) is added.

d.(7) receipts for additional living expenses incurred.

Personal Liability Endorsement

In return for an additional premium and in compliance with all the terms and conditions of the Dwelling Hazard Coverage Form:

AGREEMENT

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

DEFINITIONS

Throughout this endorsement, "you", "your" and "yours" refer to the Additional Named Insured shown in the Declarations and the spouse if a resident of the same household, and "we", "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **Bodily Injury** means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom of any person, except any insured as defined in 3.a. and 3.b., below.
2. **Business** includes trade, profession or occupation.
3. **Insured** means you and the following residents of your household:
 - a. your relatives;
 - b. any other person under the age of 21 who is in the care of any person named above;
 - c. with respect to animals or watercraft to which this endorsement applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3.a. or 3.b. above. A person or organization using or having custody of these animals or watercraft in the course of any business, or without permission of the owner is not an insured;
 - d. with respect to any vehicle to which this endorsement applies, any person while engaged in your employment or the employment of any person included in 3.a. or 3.b. above, or any other person using the vehicle on an insured location with your consent.
4. **Insured Location** means:
 - a. the residence premises;
 - b. the part of any other premises, other structures and grounds, used by you as a residence and which is shown in the Declarations or which is acquired by you during the policy period for your use as a residence;
 - c. any premises used by you in connection with the premises included in 4.a. or 4.b. above;
 - d. any part of a premises not owned by any insured but where any insured is temporarily residing;
 - e. vacant land, other than farm land, owned by or rented to any insured;
 - f. land owned by or rented to any insured on which a one or two family dwelling is being constructed as a residence for any insured;
 - g. individual or family cemetery plots or burial vaults of any insured;
 - h. any part of a premises occasionally rented to any insured for other than business purposes.
5. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
 - a. bodily injury; or
 - b. property damage.
6. **Personal Injury** means injury arising out of one or more of the following offenses:
 - a. false arrest, detention or imprisonment, or malicious prosecution;
 - b. libel, slander or defamation of character;
 - c. invasion of privacy, wrongful eviction or wrongful entry.

7. **Property Damage** means physical injury to or destruction of tangible property, including loss of use of this property.
8. **Residence employee** means an employee of any insured who performs duties in connection with the maintenance or use of the residence premises, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the business of any insured.
9. **Residence premises** means the one family dwelling, other structures and grounds or that part of any other building where you reside and which is shown as the residence premises in the Declarations. Residence premises also means a two family dwelling where you reside in at least one of the family units and which is shown as the residence premises in the Declarations.

LIABILITY COVERAGES

COVERAGE L - Personal Liability

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

- a. pay up to our limit of liability for the damages for which the insured is legally liable; and
- b. provide a defense at our expense by counsel of our choice even if the allegations are groundless, false or fraudulent. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to settle or defend any claim or suit ends when a judgment has been reached or a settlement with the injured party has been agreed upon. Under no circumstances will our liability exceed the maximum amount payable under this endorsement.

COVERAGE M - Medical Payments to Others

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an occurrence causing bodily injury. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except residence employees. As to others, this coverage applies only:

- a. to a person on the insured location with the permission of any insured; or
- b. to a person off the insured location, if the bodily injury:
 - 1) arises out of a condition on the insured location or the ways immediately adjoining;
 - 2) is caused by the activities of any insured;
 - 3) is caused by a residence employee in the course of the residence employee's employment by any insured;or
 - 4) is caused by an animal owned by or in the care of any insured.

A Medical Payment to others payment is not an admission of liability by you or us.

ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

1. Claim Expenses. We Pay:
 - a. expenses incurred by us and costs taxed against any insured in any suit we defend;
 - b. premiums on bonds required in a suit defended by us, but not for bond amounts greater than the limit of liability for Coverage L. We are not obligated to apply for or furnish any bond;
 - c. reasonable expenses incurred by any insured at our request, including actual loss of earnings {but not loss of other income) up to \$50 per day for assisting us in the investigation or defense of any claim or suit; and d. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
2. First Aid Expenses. We will pay expenses for first aid to others incurred by any insured for bodily injury covered under this endorsement. We will not pay for first aid to you or any other insured.
3. Damage to Property of Others. We will pay up to \$500 per occurrence, on a replacement cost basis, for property damage to property of others caused by any insured.

We will not pay for property damage:

- a. to the extent of any amount recoverable under any coverage in the DWELLING COVERAGE FORM;
- b. caused intentionally by any insured who is 13 years of age or older;
- c. to property owned by or rented to any insured, a tenant of any insured, or a resident in your household; or
- d. arising out of:
 - 1) business pursuits of any insured;
 - 2) any act or omission in connection with a premises owned, rented or controlled by any insured, other than the insured location; or
 - 3) the ownership, maintenance or use of a motor vehicle, all other motorized land conveyances, aircraft or watercraft. This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle licensing and not owned by an insured.

EXCLUSIONS

1. Coverage L - **Personal Liability** and Coverage M - **Medical Payments to Others** do not apply to bodily injury or property damage:
 - a. which is expected or intended by the insured, or which is the foreseeable result of an act or omission intended by an insured, or which is performed at the direction of any insured;
 - b. arising out of or in connection with the business pursuits of any insured. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the business;
 - c. arising out of the rental or holding for rental of any part of any premises by any insured. This exclusion does not apply to the rental or the holding for rental of an insured location:
 - 1) on an occasional basis for the exclusive use as a residence;
 - 2) in part for use only as a residence, unless a one family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - 3) in part, as an office, school, studio or private garage;
 - d. arising out of the rendering of or failing to render professional services;
 - e. arising out of any premises owned by or rented to any insured or a premises rented to others by an insured which is not an Insured location;
 - f. Arising out of:
 - 1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";
 - 2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or
 - 3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.
 - g. This exclusion does not apply to:
 - 1) A trailer not towed by or carried on a motorized land conveyance.
 - 2) A motorized land conveyance designed for recreational use off public roads not subject to motor vehicle licensing, or a golf cart or snowmobile provided that it is:
 - (a) Not owned by an "insured"; or
 - (b) Owned by an "insured" and on an "insured location";
 - 3) A motorized golf cart when used to play golf on a golf course;
 - 4) A vehicle or conveyance not subject to motor vehicle licensing which is:
 - (a) Used to service an "insured's" residence;
 - (b) Designed for assisting the handicapped; or
 - 5) A motorized land conveyance in dead storage on an "insured location";
 - g. Arising out of:
 - (1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
 - (2) The entrustment by an "insured" of an excluded watercraft described below to any person; or
 - (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

 - (1) That are not sailing vessels and are powered by:

- (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less;
- (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
- (c) One or more outboard engines or motors with 25 total horsepower or less;
- (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";
- (e) Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:
 - (i) You acquire them prior to the policy period; and
 - (a) You declare them at policy inception; or
 - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
 - (ii) You acquire them during the policy period.

This coverage applies for the policy period.

- (2) That are sailing vessels, with or without auxiliary power:
 - (a) Less than 26 feet in overall length;
 - (b) 26 feet or more in overall length, not owned by or rented to an "insured."
- (3) That are stored;

h. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of an aircraft;
- (2) The entrustment by an "insured" of an aircraft to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model aircraft;

- i. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental;
- j. arising out of the transmission of a communicable disease by an insured;
- k. arising out of corporal punishment, physical or mental abuse, or any sexual act, including, but not limited to, assault, molestation, abuse, incest or rape;
- l. arising out of any personal injury offense;
- m. arising out of the serving or furnishing of alcoholic beverages;
- n. arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician;
- o. arising out of the use of or possession of, including dumping, discharge or escape of irritants, pollutants or contaminants, including lead paint. Any loss, cost, or expense arising out of any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- p. arising out of or in connection with child care services provided by or at the direction of:
 - 1) any insured;
 - 2) any employee of any insured; or
 - 3) any other person actually or apparently acting on behalf of any insured.

2. Coverage L - **Personal Liability**, does not apply to:

- a. liability for your share of any loss assessment charged against all members of an association, corporation or community of property owners;
- b. liability assumed under any contract or agreement. However, this exclusion does not apply to written contracts:
 - 1) that directly relate to the ownership, maintenance or use of an insured location; or
 - 2) where the liability of others is assumed by the insured prior to an occurrence;
 unless excluded in a. above or elsewhere in this endorsement;
- c. property damage to property owned by the insured;

- d. property damage to property rented to, occupied or used by or in the care of the Insured. This exclusion does not apply to property damage caused by fire, smoke or explosion;
 - e. bodily injury to any person eligible to receive any benefits required to be provided or voluntarily provided by the insured under any workers' compensation, non-occupational disability, or occupational disease law;
 - f. bodily injury or property damage for which any insured under this endorsement is also an insured under a nuclear energy liability policy or would be an insured under that policy but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by American Nuclear Insurers, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors;
 - g. liability for punitive or exemplary damages awarded against any insured; or
 - h. liability arising out of any illegal act committed by or at the direction of any insured.
3. Coverage M - **Medical Payments to Others**, does not apply to bodily injury
- a. to any person, other than a residence employee of an insured, regularly residing on any part of the insured location;
 - b. to a residence employee if the bodily injury occurs off the insured location and does not arise out of or in the course of the residence employee's employment by any Insured;
 - c. to any person eligible to receive any benefits required to be provided or voluntarily provided under any workers' compensation, non-occupational disability or occupational disease law;
 - d. from any nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

CONDITIONS

1. **Policy Period.** This optional endorsement applies only to bodily injury or property damage which occurs during the policy period as shown in the Additional Named Insured Endorsement.
2. **Limit of Liability.** Regardless of the number of Insureds, claims made or persons injured, our total liability under Coverage L for all damages resulting from any one occurrence shall not exceed the limit of liability for Personal Liability shown on the Additional Named Insured Endorsement. All bodily injury and property damage resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one occurrence.

Our total liability under Coverage M for all medical expense payable for bodily injury to one person as the result of one occurrence shall not exceed the limit of liability for Coverage M stated in the Declarations.
3. **Severability of Interest.** This insurance applies separately to each insured. This condition shall not increase our limit of liability for any one occurrence.
4. **Duties After Loss.** In case of an occurrence, the insured shall perform the following duties that apply. You shall cooperate with us in seeing that these duties are performed:
 - a. give written notice to us or our agent as soon as is practical, which sets forth:
 - 1) the identity of the policy and insured;
 - 2) reasonably available information on the time, place and circumstances of the occurrence; and
 - 3) names and addresses of any claimants and available witnesses;
 - b. forward to us every notice, demand, summons or other process relating to the occurrence;
 - c. at our request, assist in:
 - 1) making settlement;
 - 2) the enforcement of any right of contribution or indemnity against any person or organization who may be liable to any insured;
 - 3) the conduct of suits and attend hearings and trials;
 - 4) securing and giving evidence and obtaining the attendance of witnesses;
 - d. under the coverage - Damage to the Property of Others, submit to us within 60 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the insured's control;
 - e. the insured shall not, except at the insured's own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the bodily injury.

5. **Duties of an Injured Person - Coverage M - Medical Payments to Others.** The injured person or someone acting on behalf of the injured person shall:

- a. give us written proof of claim, under oath if required, as soon as is practical; and
- b. execute authorization to allow us to obtain copies of medical reports and records.

The injured person shall submit to physical examination by a physician selected by us when and as often as we reasonably require.

6. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the provisions of this endorsement.

No one shall have any right to join us as a party to any action against an insured. Also, no action with respect to Coverage L can be brought against us until the obligation of the insured has been determined by final judgment or agreement signed by us.

Any person or organization or their legal representative who has secured such judgment or written agreement against the insured shall be entitled to recover under this policy to the extent of the insurance afforded under this policy.

7. **Bankruptcy of any Insured.** Bankruptcy or insolvency of any insured shall not relieve us of any of our obligations under this endorsement.

8. **Other Insurance - Coverage L- Personal Liability.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this endorsement.

9. **Subrogation.** Any insured may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, any insured shall sign and deliver all related papers and cooperate with us in any reasonable manner. Subrogation does not apply to Medical Payments to Others or Damage to Property of Others.

JUNIOR MORTGAGE ENDORSMENT

This endorsement attaches to and becomes part of the Dwelling Hazard Coverage Form.

CONDITIONS

- 2. Insurable Interest and Amount of Insurance** is deleted and replaced by the following:
- 2. Insurable Interest and Amount of Insurance.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
- for an amount greater than the interest of a person insured under this policy; or
 - for more than the applicable amount of insurance.

The Named Insured Mortgagee's interest is represented by the mortgagor's unpaid balance at the time of loss, less unearned interest and finance charges, less unearned insurance premiums, less collection and foreclosure expenses, and less late charges and penalties added to the mortgagor's unpaid balance after the inception of coverage under this policy.

- 8. Other Insurance** is deleted and replaced by the following:
- 8. Other Insurance:** Coverage will be provided under this policy only when the loss exceeds the greater of the amount of all other existing insurance in effect at the time of loss or the mortgagor's (borrower) unpaid balance under the mortgage(s) senior to the one held by the Named Insured Mortgagee, and then only for the amount of such excess, subject to the Amounts of Insurance stated in the Policy. Should no other insurance exist at the time of loss, coverage will be provided under this policy only if the loss exceeds the mortgagor's unpaid balance at the time of loss under the mortgage(s) senior to the one held by the Named Insured Mortgagee. Coverage under this policy will not apply to any mortgagee other than the Named Insured Mortgagee. Coverage provided under this Policy is excess and in no way contributory. Coverage will apply only when all other valid insurance, whether collectible or not, has been exhausted or the mortgage(s) senior to the one held by the Named Insured Mortgagee has been satisfied, whichever is greater.

The following Conditions are added:

- 30. Term of Coverage:** Coverage will apply to each individual residential property described in the Additional Named Insured Certificate during the term of the mortgage and this policy. If the insurance afforded by this policy is also provided by other insurance terminating at noon on the inception date of this coverage, coverage under this policy will not become effective until such other insurance has terminated. Coverage will apply only to losses which occur during the Term of Coverage. Coverage under this policy for any Residential Property shall automatically and without prior notice, cancel when the Named Insured Mortgagee no longer has an interest in the property or when the Named Insured Mortgagee has been provided with another policy that meets the Named Insured Mortgagee's requirements as set forth in the mortgage agreement applicable to the property.

All other provisions of this policy apply.

CONDOMINIUM UNIT-OWNERS ENDORSEMENT

This endorsement attaches to and becomes a part of the Dwelling Hazard Coverage Form.

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

Under "**COVERAGES**", **COVERAGE A - Dwelling**, the entire insuring agreement is deleted in its entirety and replaced by:

1. Condominiums - Unit-Owners Building Items.

We cover for direct physical loss caused by the Perils Insured Against:

- a. the alterations, appliances, fixtures and improvements which are part of the building contained within the Additional Named Insured's unit;
- b. items of real property which pertain exclusively to the Additional Named Insured's unit;
- c. property which is the Additional Named Insured's insurance responsibility under a corporation or association of property owners agreement; or
- d. structures owned solely by the Additional Named Insured, other than the Described Location, on the premises of the Described Location. However, we do not cover structures:
 - (1) used in whole or in part for commercial, manufacturing or farming purposes; or
 - (2) rented or held for rental to any person not a tenant of the Described Location, unless used solely as a private garage.

This coverage does not apply to land, including land on which the Described Location, real property or structures are located.

A Condominium is defined as a method of realty ownership in which there is common ownership of certain portions of the premises. A Condominium declaration or master deed must exist which sets forth the exact provisions of ownership and establishes a Condominium association. Townhomes, Rowhouses, Commercial Condominiums, Cooperatives or PUDs are not Condominiums for purposes of this endorsement.

Under "**COVERAGES**", **COVERAGE F - Loss Assessment Property Coverage** is added:

We agree to pay your share of loss assessment charged during the policy period against you by a corporation or association of property owners up to \$1,000, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against listed in the policy other than Earthquake or land shock waves or tremors before, during or after a volcanic eruption.

Deductible - We will pay only that part of your assessment per unit that exceeds the deductible shown in the declarations.

Under "**OTHER COVERAGES**", **1. Other Structures**, is deleted in its entirety.

Under "**CONDITIONS**", **8. Other Insurance**, is replaced by:

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

REAL ESTATE OWNED (REO) ENDORSEMENT

The attachment of this endorsement to the policy issued under the Dwelling Hazard Coverage Form is hereby extended to include properties owned by the named insured mortgagee as a result of foreclosure or properties held by the lender as a result of a trust agreement. "Described Property Location" indicated on the policy declaration applies to Real Estate Owned property.

Coverage applies to Residential properties (dwelling only) in which the Named Insured Mortgagee has insurable interest as mortgagee, as servicing agent by written agreement, as owner of real estate property through foreclosures, or as trustee by agreement. Individual covered properties are specified in the Additional Named Insured Certificate issued under this policy or listed on a log of REO properties provided to the company on a periodic basis.

All other terms and conditions of the policy remain unchanged.

INSURED LENDER PROTECTION

This endorsement attaches to and provides additional coverage to the Named Insured under the terms and conditions of the Dwelling Hazard Master Policy.

It is hereby understood and agreed by attachment of this policy form, that coverage is provided under this Policy to protect the interest of the insured only in the event that other valid insurance is in force, but not collectible due to the vacancy exceptions or exclusions in the other valid insurance policy for the peril of vandalism and malicious mischief. If a loss occurs and another insurance carrier has valid insurance effective on the date of loss, then the insured must advise the insurance carrier of the loss. If the insurance carrier denies, in writing, coverage based on vacancy exceptions or exclusions for the peril of vandalism and malicious mischief, then the policy to which this form is attached will become primary for payment of losses arising out of the vandalism and malicious mischief peril only.

All other provisions of this policy apply.

WASHINGTON SPECIAL PROVISIONS

This endorsement attaches to and becomes a part of the Dwelling Hazard Coverage Form and the Dwelling Windstorm/Hail Coverage Form.

DEFINITIONS

The following definition is added:

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

1. Actual Cash Value means:

- a. When the damage to property is economically repairable, actual cash value means the cost of repairing the damage, less reasonable deduction for wear and tear, deterioration and obsolescence.
- b. When the loss or damage to property creates a total loss, actual cash value means the market value of property in a used condition equal to that of the destroyed property, if reasonably available on the used market.
- c. Otherwise, actual cash value means the market value of new, identical or nearly identical property less reasonable deduction for wear and tear, deterioration and obsolescence.

2. Replacement cost means:

- a. In case of loss or damage to buildings, replacement cost means the cost, at the time of loss, to repair or replace the damaged property with new materials of like kind and quality, without deduction for depreciation.
- b. In case of loss to personal property, replacement cost means the cost, at the time of loss, of a new article identical to the one damaged, destroyed or stolen. When the identical article is no longer manufactured or is not available, replacement cost means the cost of a new article similar to the one damaged or destroyed and which is of comparable quality and usefulness, without deduction for depreciation.

PERILS INSURED AGAINST

Under Perils Insured Against, Coverage A - Dwelling and Coverage B - Other Structures, the first paragraph is deleted and replaced by:

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property. We do not insure for loss caused directly or indirectly by any cause of loss listed in the General Exclusions regardless of any other cause or event contributing concurrently or in any sequence to the loss.

CONDITIONS

3. Concealment or Fraud is deleted and replaced by the following:

3. Concealment or Fraud. With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements with the intent to deceive;

relating to this insurance.

12. Loss Payment is deleted and replaced by the following:

12. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

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

15. Cancellation is deleted and replaced by the following:

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

b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice, together with our reason for cancellation, will be mailed to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records. Proof of mailing will be sufficient proof of notice.

(1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.

(2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 45 days before the date cancellation takes effect.

(3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

(a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

(b) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 45 days before the date cancellation takes effect.

(4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 45 days before the date cancellation takes effect.

However, with respect to Paragraphs b. (2), (3) and (4) above, if two or more of the following conditions exist at any building that is covered under this policy, we may cancel this policy by letting you and, if applicable, your agent or broker know at least 5 days before the date cancellation takes effect. We will also let any mortgagee or other person shown by the policy to have an interest in a covered loss know at least 20 days before the date cancellation takes effect.

(1) Without reasonable explanation, the building is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days unless the building is maintained for seasonal occupancy or is under construction or repair;

(2) Without reasonable explanation, progress toward completion of permanent repairs to the building has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;

(3) Because of its physical condition, the building is in danger of collapse;

(4) Because of its physical condition, a vacation or demolition order has been issued for the building, or it has been declared unsafe in accordance with applicable law;

(5) Fixed and salvageable items have been removed from the building, indicating an intent to vacate the building;

(6) Without reasonable explanation, heat, water, sewer, and electricity are not furnished for the building for 60 consecutive days; or

(7) The building is not maintained in substantial compliance with fire, safety and building codes.

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

d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it as soon as possible, but no later than:

(1) 45 days after we send a notice of cancellation to you; or

(2) 30 days after we receive the policy or a notice of cancellation from you.

e. Except as noted above, if the policy is canceled by us, we will give the same advance notice of cancellation in writing to any mortgagee or other person shown by the policy to have an interest in a covered loss as we give to you. The cancellation notice may be delivered or mailed; if mailed, proof of mailing will be sufficient proof of notice.

16. Nonrenewal is deleted and replaced by the following:

We may elect not to renew this policy. We may do so by mailing to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records, written notice, including our reason for refusing to renew, at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

If we have offered in writing, either directly or through our agent, at least 20 days before the expiration date of this policy, to renew this policy, and have included a statement of the renewal premium due, we may terminate this policy on its expiration date if you fail to pay the required premium when due.

For the purpose of determining the date when nonrenewal can be effected: A policy with a term of six months or less is considered as if written for a policy period of six months. A policy written for a term longer than one year or a policy with no fixed expiration date is considered as if written for a period of one year.

When this endorsement is attached to the Dwelling Hazard Coverage Policy Form and that policy includes the **Personal Liability Endorsement (RP1446)** the following changes apply:

DEFINITIONS

Definition 1. Is deleted and replaced by:

1. Bodily injury means bodily harm, sickness or disease, except a disease which is transmitted by an insured through sexual contact. Bodily injury includes required care, loss of services and death resulting from covered bodily harm, sickness or disease.

EXCLUSIONS

Exclusion 1. g. 4) is deleted and replaced by:

- 4) a vehicle or conveyance not subject to motor vehicle licensing which is:
 - (a) used to service an insured's residence;
 - (b) designed to assisting the handicapped; or
 - (c) in dead storage on an insured location;

All other provisions of this policy apply.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

- Dwelling Hazard Coverage Form
- Commercial Hazard Coverage Form

A. Cap on Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War and Military Action Exclusion.

POLICY NUMBER:



SIGNATURE PAGE

In witness whereof, we, as officers of the stock Company designated on the Declarations Page, have caused this policy to be executed and attested. If required by state law, this policy shall not be valid unless countersigned by our authorized representative.

A handwritten signature in black ink, appearing to read "Peter T. Maloney".

Peter T. Maloney
Secretary

A handwritten signature in black ink, appearing to read "Susan Rivera".

Susan Rivera
President



THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

This policy **includes** coverage for Certified Acts of Terrorism. The charge for this coverage is \$0.

NOTE: The premium above is for certain losses resulting from certified acts of terrorism as covered pursuant to coverage provisions, limitations and exclusions in this policy. You should read the definition in your policy carefully, but generally speaking, "certified" acts of terrorism are acts that exceed \$5 million in aggregate losses to the insurance industry and which are subsequently declared by the U.S. Secretary of the Treasury as a certified terrorist act under the Terrorism Risk Insurance Act. Some losses resulting from certified acts of terrorism are not covered. Read your policy and endorsements carefully.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act

exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portions of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

WASHINGTON SPECIAL PROVISIONS

This endorsement attaches to and becomes a part of the Commercial Flood Coverage Form.

CONDITIONS

4. Concealment or Fraud is deleted and replaced by the following:

4. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage is void in any case of fraud by you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Coverage.

12. Loss Payment is deleted and replaced by the following:

12. Loss Payment

We will adjust all losses with the Named Insured Mortgagee. Payment for loss will be made within 30 days after we reach agreement with the Named Insured Mortgagee, entry of a final court judgment, or the filing of an approved award with us. Loss will be made payable to the Named Insured Mortgagee and the Additional Named Insured as their interests appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at our option. No coverage will be available to any mortgagee other than that shown as the Named Insured Mortgagee on the Declarations page of this policy.

14. Our Rights (Subrogation) is deleted and replaced by the following:

14. Our Rights (Subrogation)

In the event of any claim under this policy, we are entitled to all your rights of recovery against another person, if you are entitled and have received complete reimbursement for the loss. You must sign and deliver to us any legal papers relating to that recovery, do whatever else is necessary to help us exercise those rights and do nothing after loss to prejudice our rights. When you have made a claim under this policy and also recover from another person, the amount recovered from the other person shall be held by you in trust for us and reimbursed to us to the extent of any damages paid by us under this policy.

13. APPRAISAL is deleted and replaced by:

13. Appraisal

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

Each party will:

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

18. Cancellation b to e is deleted and replaced by:

18. Cancellation

- b. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- c. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice, together with our reason for cancellation, will be mailed to you and, if applicable, your agent or broker and to each loss payee or other interest indicated on the policy at the last addresses known to us or shown by our records. Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 45 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
 - (b) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 45 days before the date cancellation takes effect.

- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 45 days before the date cancellation takes effect.

However, with respect to Paragraphs **b. (2), (3) and (4)** above, if two or more of the following conditions exist at any building that is covered under this policy, we may cancel this policy by letting you and, if applicable, your agent or broker know at least 5 days before the date cancellation takes effect. We will also let any mortgagee or other person shown by the policy to have an interest in a covered loss know at least 20 days before the date cancellation takes effect.

- (1) Without reasonable explanation, the building is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days unless the building is maintained for seasonal occupancy or is under construction or repair;
 - (2) Without reasonable explanation, progress toward completion of permanent repairs to the building has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
 - (3) Because of its physical condition, the building is in danger of collapse;
 - (4) Because of its physical condition, a vacation or demolition order has been issued for the building, or it has been declared unsafe in accordance with applicable law;
 - (5) Fixed and salvageable items have been removed from the building, indicating an intent to vacate the building;
 - (6) Without reasonable explanation, heat, water, sewer, and electricity are not furnished for the building for 60 consecutive days; or
 - (7) The building is not maintained in substantial compliance with fire, safety and building codes.
- d. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 - e. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it as soon as possible, but no later than:
 - (1) 45 days after we send a notice of cancellation to you; or
 - (2) 30 days after we receive the policy or a notice of cancellation from you.
 - f. Except as noted above, if the policy is canceled by us, we will give the same advance notice of cancellation in writing to any mortgagee or other person shown by the policy to have an interest in a covered loss as we give to you. The cancellation notice may be delivered or mailed; if mailed, proof of mailing will be sufficient proof of notice.

18. Nonrenewal is deleted and replaced by the following:

We may elect not to renew this policy. We may do so by mailing to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records, written notice, including our reason for refusing to renew, at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

If we have offered in writing, either directly or through our agent, at least 20 days before the expiration date of this policy, to renew this policy, and have included a statement of the renewal premium due, we may terminate this policy on its expiration date if you fail to pay the required premium when due.

For the purpose of determining the date when nonrenewal can be effected: A policy with a term of six months or less is considered as if written for a policy period of six months. A policy written for a term longer than one year or a policy with no fixed expiration date is considered as if written for a period of one year.

All other provisions of this policy apply.

<i>SERFF Tracking Number:</i>	<i>QBEC-126008255</i>	<i>State:</i>	<i>Washington</i>
<i>Filing Company:</i>	<i>QBE Insurance Corporation</i>	<i>State Tracking Number:</i>	<i>196772</i>
<i>Company Tracking Number:</i>	<i>09-002-048-ML-WA-F</i>		
<i>TOI:</i>	<i>28.2 Credit - Personal Property</i>	<i>Sub-TOI:</i>	<i>28.2001 Creditor-Placed Home</i>
<i>Product Name:</i>	<i>Lender Placed 28</i>		
<i>Project Name/Number:</i>	<i>/09-002-048-ML-WA-F</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: QBEC-126008255 State: Washington
Filing Company: QBE Insurance Corporation State Tracking Number: 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

Supporting Document Schedules

Satisfied -Name: Filing Memorandum

Review Status:

Approved

02/24/2009

Comments:

Attachment:

QBE Insurance Corporation Form Memorandum -WA.pdf

QBE Insurance Corporation

Lender Placed Protection Program

Explanatory Memorandum - Forms

Enclosed is the initial form filing for a new insurance program to be written by QBE Insurance Corporation. This insurance program is designed to allow mortgage lenders and servicers to obtain property insurance for real property securing mortgages if the borrower has failed to obtain or maintain insurance as required by the loan agreement.

The insurance primarily protects the interest of the Named Insured Lender, but provides additional protection to the borrower as Additional Named Insured, as each of their interest may apply. Required insurance on mortgages is tracked and if the property becomes uninsured, due to cancellation or nonrenewal, and the borrower fails to provide a replacement policy, coverage is requested by the lender. The borrower receives notification that the lender has obtained temporary insurance coverage to protect the property during any lapse in coverage and that the coverage will be cancelled as of the effective date of insurance provided by the borrower. Premium is only charged for any lapse in required coverage and earned premium is calculated on a pro rata basis. If the borrower fails to provide insurance during the 90 day temporary coverage, annual coverage is issued to the Named Insurance Lender and Additional Named Insured Borrower, effective the date of lapse in coverage.

Under this program, the company will insure any real property within the lender's portfolio that becomes uninsured during the term of the loan. There are no property inspections, no individual risk underwriting, and no coinsurance penalty. Coverage is issued for the estimated value of the property improvements securing the mortgage and in the event of a loss both the Named Insured Lender and Additional Named Insured Borrower may benefit from the policy, as their interest appears.

Each Named Insured Lender is issued a Master Policy identifying the various coverages available for uninsured real property, including fire and extended coverage and flood insurance for residential and commercial real property collateral. A certificate of insurance is issued to the borrower if there is a lapse in coverage and a full policy is provided to the borrower describing exactly what coverages are provided under the lender placed protection program.

This is a new program for QBE Insurance Corporation that will be submitted to all states. The program will be submitted in the domicile state, but has not yet been submitted or approved.

This filing mirrors the Lender Placed Property Program currently approved in your state for Fidelity and Deposit Company of Maryland Company.

SERFF Tracking Number: QBEC-126008255 State: Washington
 Filing Company: QBE Insurance Corporation State Tracking Number: 196772
 Company Tracking Number: 09-002-048-ML-WA-F
 TOI: 28.2 Credit - Personal Property Sub-TOI: 28.2001 Creditor-Placed Home
 Product Name: Lender Placed 28
 Project Name/Number: /09-002-048-ML-WA-F

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Blanket Condominium Policy Declarations	01/27/2009	BC1001 Blanket Condo Policy Dec.pdf
No original date	Form	Blanket Flood Policy Declarations	01/27/2009	BF1001-Flood-Blkt Decl-Res.pdf
No original date	Form	Junior Mortgage Blanket Policy Declarations	01/27/2009	BP1001-Jr.Mort Blkt Decl-Res.pdf
No original date	Form	Flood Master Policy Declarations - Commercial Flood	01/27/2009	CF1001-Flood Mast Pol Decl-Comm.pdf
No original date	Form	Additional Named Insured Certificate - Commercial Flood	01/27/2009	CF1101-Flood Addn Insd-Comm.pdf
No original date	Form	Hazard Master Policy Declarations - Commercial Property	01/27/2009	CP1001-Mast Pol Decl-Comm.pdf
No original date	Form	Additional Named Insured Certificate - Commercial Property	01/27/2009	CP1101- Addn Insd-Comm.pdf
No original date	Form	Special Provisions - Washington	01/27/2009	CP1546-WA Amendatory.pdf

SERFF Tracking Number: QBEC-126008255 *State:* Washington
Filing Company: QBE Insurance Corporation *State Tracking Number:* 196772
Company Tracking Number: 09-002-048-ML-WA-F
TOI: 28.2 Credit - Personal Property *Sub-TOI:* 28.2001 Creditor-Placed Home
Product Name: Lender Placed 28
Project Name/Number: /09-002-048-ML-WA-F

No original date	Form	Flood Master Policy Declarations - Residential Flood	01/27/2009	RF1001-Flood Mast Pol Decl-Res.pdf
No original date	Form	Special Provisions - Washington	01/27/2009	RF1546-WA Amendatory.pdf
No original date	Form	Hazard Master Policy Declarations - Residential Property	-01/27/2009	RP1001-Mast Pol Decl-Res.pdf
No original date	Form	Additional Named Insured Certificate-Residential Opt-In	01/27/2009	RP1102-Residential Hazard Addn Insd.pdf
No original date	Form	Additional Named Insured Certificate-Residential Wind Only	01/27/2009	RP1150 Add Named Ins Cert - Wind Only.pdf
No original date	Form	(Optional) Personal Property Endorsement including theft	01/27/2009	RP1401-Personal Property-Incl Theft.pdf
No original date	Form	(Optional) Personal Liability Endorsement	01/27/2009	RP1405-Pers Liab-Broad.pdf
No original date	Form	Additional Financial Interest Endorsement	01/27/2009	RP1409N-Fin Interests End..pdf
No original date	Form	Special Provisions - Washington	01/27/2009	RP1546-WA Amendatory.pdf

Blanket Condominium Policy Declarations

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

	Maximum Amount Per Loss Occurrence	Annual Rate per loan	Deposit Premium
POLICY NUMBER	Dwelling	\$	\$
POLICY PERIOD: FROM 12:01 a.m. Standard Time at the Address of the Named Insured Mortgagee, until canceled.	Deductible - per loss occurrence		
	Property is VACANT at time of loss	\$	
	Vandalism & Malicious Mischief	\$	
	All Other Covered Losses	\$	
ELIGIBLE REAL ESTATE: The Dwelling Coverage Form is extended to include Condominiums as defined below:	Deposit Premium As deposit premium for the insurance provided by us, you will pay us an amount determined by multiplying the Policy Rate by the estimated number of loans on all mortgage liens secured by Eligible Real Estate at the inception date of this policy and each anniversary date thereafter. At the end of the first 12 months (and annually thereafter), we will average the number of loans in your loan portfolio and multiply such average by the Policy Rate. The amount thus calculated will be the final premium for the year. If the Deposit Premium is less than the final premium for the year, you will pay us the balance. At our option, and with your agreement, premium under this policy may be billed and collected on a monthly basis by dividing the Annual Rate per loan by 12 and multiplying the number of Eligible Real Estate held by you on a monthly basis.		
DEFINITION OF CONDOMINIUM: A condominium is a method of realty ownership in which there is common ownership of certain portions of the premises. A Condominium declaration or master deed must exist which sets forth the exact provisions of ownership and establishes a Condominium association. Town homes, Row houses, Commercial Condominiums, Cooperatives or PUDs are not Condominiums for purposes of this policy.	Reporting Provisions You will report valid number of loans to us within 15 days of the end of each _____.		
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.			

This policy is made and accepted subject to all of the stipulations and conditions contained on this and the following pages which are hereby specifically referred to and made a part thereof, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto; no officer, agent, or other representative of the Company shall have the power to waive or be deemed to have waived any provision or condition of this policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the Named Insured Mortgagee unless so written or attached.

IN WITNESS WHEREOF, the Company caused this policy to be executed and attested; but this policy shall not be valid unless countersigned by a duly authorized agent of the Company.

Tracy E. Sule

 Countersigning Agent
 (if required by State Insurance Law)

 City and State

 Date

SPECIAL CONDITIONS:

1. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
2. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
3. **Cancellation:** This policy may be canceled by us or you upon 45 days written notice. Coverage under this policy will cease as of the greater of the agreed upon cancellation date of this policy or the end of the reporting month for which coverage under this policy was requested.
- 4.. **Additional Conditions** applying to this policy
 - A. At the time of loan origination, the Named Insured Mortgagee must require all Borrowers to agree to carry insurance and must require issuance of a loss payable clause in favor of the Named Insured Mortgagee. The Agreement must be in writing and require the following information from the Borrower:
 1. The name of the primary insurance company providing fire insurance;
 2. The name of the agent writing said fire insurance;
 3. The binder or policy number of said fire insurance; and
 4. The Amount of Insurance provided by said fire insurance policy.
 - B. Loss is sustained on a property which falls under the definition of Condominium, as defined in this policy, and the applicable loan is classified by the Named Insured Mortgagee as a condominium loan;
 - C. A fire insurance policy is not in force on said property (Condominium) on the date of loss. This policy does not supplement inforce fire insurance policies that contain special exclusions, more restrictive coverage terms or provide inadequate Amounts of Insurance.

In the event the Named Insured Mortgagee, through unintentional error or omission, fails to obtain said information from the Borrower, provided the Named Insured Mortgagee maintains and utilizes a standard written procedure to properly obtain the information above and the Named Insured Mortgagee tracks the mortgages, the Company agrees to issue a separate policy to the Additional Named Insured after a uncovered loss. The policy inception date will be the date the property became uninsured. Premium charges will be calculated from the inception date to the end of the current policy period.
 - D. Unless modified by endorsement, this policy does not provide coverage for the following:
 - 1) Alterations, appliances, fixtures and improvements which are part of the Condominium and which are contained within the Borrower's walls;
 - 2) Other items of real property that are exclusively part of the Borrower's unit (for example, interior walls and finished flooring);
 - 3) Property that the Borrower is responsible for insuring under the terms of a corporation or association of property owners agreement.
 - 4) Structures other than the Borrower's unit that are at the same location as the unit and are owned solely by the Borrower (for example, garages and storage sheds).

Blanket Flood Policy Declarations

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

	Maximum Amount Per Loss Occurrence	Policy Rate (per loan)	Deposit Premium
POLICY NUMBER	Flood (Dwellings only) \$ _____	\$ _____	\$ _____
POLICY PERIOD: FROM 12:01 a.m. Standard Time at the Address of the Named Insured Mortgagee, until canceled.	Deductible - per loss		
	Located in a "V" zone	\$ _____	
	Located in CBRA or Non Participating Community	\$ _____	
	All Other Flood Zones	\$ _____	
ELIGIBLE REAL ESTATE: Coverage applies only to 1 to 4 unit residential properties, manufactured homes, modular homes, town houses, row houses, and condominiums (dwelling only) in which the Named Insured Mortgagee has an insurable interest as mortgagee, or as the servicing agent by written agreement.	Deposit Premium As deposit premium for the insurance provided by us, you will pay us an amount determined by multiplying the Policy Rate by the estimated number of loans in Special Flood Hazard Areas on all mortgage liens secured by Eligible Real Estate at the inception date of this policy and each anniversary date thereafter. At the end of the first 12 months (and annually thereafter), we will average the number of loans in Special Flood Hazard Areas and multiply such average by the Policy Rate. The amount thus calculated will be the final premium for the year. If the Deposit Premium is less than the final premium for the year, you will pay us the balance. At our option, and with your agreement, premium under this policy may be billed and collected on a monthly basis by dividing the Annual Rate per loan by 12 and multiplying the number of Eligible Real Estate held by you on a monthly basis.		
PERILS INSURED AGAINST AND COVERAGE PROVIDED: Coverage applies to uninsured property against loss caused by Flood or Flooding in accordance with the provisions of Coverage forms and endorsements attached to this policy.	Reporting Provisions You will report valid number of loans to us within 15 days of the end of each _____.		
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.			

This policy is made and accepted subject to all of the stipulations and conditions contained on this and the following pages which are hereby specifically referred to and made a part thereof, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto; no officer, agent, or other representative of the Company shall have the power to waive or be deemed to have waived any provision or condition of this policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the Named Insured Mortgagee unless so written or attached.

IN WITNESS WHEREOF, the Company caused this policy to be executed and attested; but this policy shall not be valid unless countersigned by a duly authorized agent of the Company.

Tracy E. Sale

 Countersigning Agent
 (if required by State Insurance Law)

 City and State

 Date

SPECIAL CONDITIONS:

1. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
2. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
3. **Cancellation:** This policy may be canceled by us or you upon 45 days written notice. Coverage under this policy will cease as of the greater of the agreed upon cancellation date of this policy or the end of the reporting month for which coverage under this policy was requested.

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

RESIDENTIAL PROPERTY

Junior Mortgage Blanket Policy Declarations

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

	Maximum Amount Per Loss Occurrence	Policy Rate (per loan)	Deposit Premium
POLICY NUMBER	Dwelling	\$	\$
POLICY PERIOD:	Deductible - per loss		
FROM 12:01 a.m. Standard Time at the Address of the Named Insured Mortgagee, until canceled.	Property is VACANT at time of loss		\$
ELIGIBLE REAL ESTATE:	Vandalism & Malicious Mischief		\$
Coverage applies only to 1 to 4 unit residential properties, manufactured homes, modular homes, town houses, row houses, and condominiums (dwelling only) in which the Named Insured Mortgagee has an insurable interest as mortgagee, or as the servicing agent by written agreement. This policy provides NO COVERAGE FOR FIRST MORTGAGE INTERESTS.	All Other Covered Losses		\$
PERILS INSURED AGAINST AND COVERAGE PROVIDED:	Deposit Premium		
Coverage applies to insured property against risks of direct loss to Eligible Real Estate in accordance with the provisions of Coverage forms and endorsements attached to this policy.	As deposit premium for the insurance provided by us, you will pay us an amount determined by multiplying the Policy Rate by the estimated number of second mortgage loans (including the number of home equity lines of credit) on all mortgage liens secured by Eligible Real Estate at the inception date of this policy and each anniversary date thereafter. At the end of the first 12 months (and annually thereafter), we will average the number of second mortgages and equity lines loans and multiply such average by the Policy Rate. The amount thus calculated will be the final premium for the year. If the Deposit Premium is less than the final premium for the year, you will pay us the balance. At our option, and with your agreement, premium under this policy may be billed and collected on a monthly basis by dividing the Annual Rate per loan by 12 and multiplying the number of Eligible Real Estate held by you on a monthly basis.		
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.	Reporting Provisions		
	You will report valid number of loans to us within 15 days of the end of each _____.		

THIS POLICY WILL NOT PROVIDE AN AMOUNT OF INSURANCE GREATER THAN THE NET AMOUNT OF THE MORTGAGE OR THE AUTHORIZED LIMIT ON HOME EQUITY LINES OF CREDIT FOR EACH MORTGAGED PROPERTY INSURED.

This policy is made and accepted subject to all of the stipulations and conditions contained on this and the following pages which are hereby specifically referred to and made a part thereof, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto; no officer, agent, or other representative of the Company shall have the power to waive or be deemed to have waived any provision or condition of this policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the Named Insured Mortgagee unless so written or attached.

IN WITNESS WHEREOF, the Company caused this policy to be executed and attested; but this policy shall not be valid unless countersigned by a duly authorized agent of the Company.

Tracy E. Sule

Countersigning Agent
 (if required by State Insurance Law)

 City and State

 Date

SPECIAL CONDITIONS:

1. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
2. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
3. **Cancellation:** This policy may be canceled by us or you upon 45 days written notice. Coverage under this policy will cease as of the greater of the agreed upon cancellation date of this policy or the end of the reporting month for which coverage under this policy was requested.

SPECIAL CONDITIONS:

1. **Term:** Coverage shall apply to each individual covered property during the policy period specified on each individual Additional Named Insured Certificate. If the insurance afforded by this policy is also provided by other insurance terminating at noon on the inception date of coverage, insurance under this policy shall not become effective until such other insurance has terminated.
2. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
3. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
4. **Cancellation:** Individual Additional Named Insured Certificates may be canceled according to the terms of the attached coverage forms and endorsements. This policy may be canceled by us or you upon 45 days written notice. When the policy is canceled, individual Additional Named Insured Certificates will remain in effect until expiration or until they are individually canceled, whichever is earlier. All your rights, duties, and obligations under each Additional Named Insured Certificates will remain in effect until such expiration or cancellation.
5. **Foreclosure:** If through foreclosure the Additional Named Insured loses his interest in the property, all provisions of this policy will still apply as though "mortgagee" was changed to read "owner through foreclosure" throughout, except that there is no "Additional Insured".

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

COMMERCIAL FLOOD

Additional Named Insured Certificate

LOAN NUMBER

ADDITIONAL NAMED INSURED

NAME AND ADDRESS (Street No., City, State, Zip)

NAMED INSURED MORTGAGEE

NAME AND ADDRESS

POLICY NUMBER	Amount of Insurance		Premium	
	Building	\$		\$
POLICY TERM: FROM TO <input type="checkbox"/> NOON <input type="checkbox"/> 12:01 AM IF WE ELECT TO CONTINUE THIS INSURANCE, WE WILL RENEW THIS POLICY IF YOU PAY THE REQUIRED RENEWAL PREMIUM FOR EACH SUCCESSIVE POLICY PERIOD, SUBJECT TO OUR RATES, RULES AND FORMS THEN IN EFFECT. YOU MUST PAY US PRIOR TO THE END OF THE CURRENT POLICY PERIOD OR ELSE THIS POLICY WILL EXPIRE.	Flood Deductible - per loss occurrence			
	Property located in V Zone		\$	
	Property located in all other Flood Zones		\$	
	Property located in CBRA or Non Participating Community		\$	
DESCRIBED LOCATION (if different from mailing address)	MUNICIPAL TAXES	Tax Code		\$
	OTHER TAXES			\$
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.	TOTAL CHARGES			\$

Subject to the terms and provisions of this policy and the coverage forms and endorsements attached hereto, it is agreed that the insurance applies to the property described above and to any person shown as an Additional Named Insured with respect to such property, subject to the following additional provisions:

- (a) The Named Insured Mortgagee is authorized to act for the Additional Named Insured(s) in all matters pertaining to this insurance including receipt of Notice of Cancellation; and return premium, if any.
- (b) The Named Insured Mortgagee is authorized to advance all funds to be recovered from the Additional Named Insured(s) for the insurance afforded.
- (c) Loss, if any, shall be adjusted with and payable to the Named Insured Mortgagee and the Additional Named Insured(s), as their interests may appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at the company's option.

DEDUCTIBLES: Please refer to the deductibles shown above for the coverage provided by this policy.

THIS POLICY ONLY COVERS BUILDINGS. IT DOES NOT COVER YOUR PERSONAL PROPERTY.

For Customer Service Questions, please call our toll free Customer Service Number at: XXX-XXX-XXXX

To report a CLAIM, please contact our Claim Department at: XXX-XXX-XXXX.

SPECIAL CONDITIONS:

1. **Term:** Coverage shall apply to each individual covered property during the policy period specified on each individual Additional Named Insured Certificate. If the insurance afforded by this policy is also provided by other insurance terminating at noon on the inception date of coverage, insurance under this policy shall not become effective until such other insurance has terminated.
2. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
3. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
4. **Cancellation:** Individual Additional Named Insured Certificates may be canceled according to the terms of the attached policy forms and endorsements. This policy may be canceled by us or you upon 45 days written notice. When the policy is canceled, individual Additional Named Insured Certificates will remain in effect until expiration or until they are individually canceled, whichever is earlier. All your rights, duties, and obligations under each Additional Named Insured Certificates will remain in effect until such expiration or cancellation.
5. **Foreclosure:** If through foreclosure the Additional Named Insured loses his interest in the property, all provisions of this policy will still apply as though "mortgagee" was changed to read "owner through foreclosure" throughout, except that there is no "Additional Insured".

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

COMMERCIAL PROPERTY

Additional Named Insured Certificate

LOAN NUMBER

ADDITIONAL NAMED INSURED
 NAME AND ADDRESS (Street No., City, State, Zip)

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

POLICY NUMBER		Amount of Insurance	Premium
POLICY TERM: FROM TO <input type="checkbox"/> NOON <input type="checkbox"/> 12:01 AM IF WE ELECT TO CONTINUE THIS INSURANCE, WE WILL RENEW THIS POLICY IF YOU PAY THE REQUIRED RENEWAL PREMIUM FOR EACH SUCCESSIVE POLICY PERIOD, SUBJECT TO OUR RATES, RULES AND FORMS THEN IN EFFECT. YOU MUST PAY US PRIOR TO THE END OF THE CURRENT POLICY PERIOD OR ELSE THIS POLICY WILL EXPIRE.	Building	\$	\$
	Deductible - per loss occurrence	\$	
DESCRIBED LOCATION (if different from mailing address)	MUNICIPAL TAXES	Tax Code	\$
	OTHER TAXES		\$
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.		TOTAL CHARGES	\$

Subject to the terms and provisions of this policy and the coverage forms and endorsements attached hereto, it is agreed that the insurance applies to the property described above and to any person shown as an Additional Named Insured with respect to such property, subject to the following additional provisions:

- (a) The Named Insured Mortgagee is authorized to act for the Additional Named Insured(s) in all matters pertaining to this insurance including receipt of Notice of Cancellation; and return premium, if any.
- (b) The Named Insured Mortgagee is authorized to advance all funds to be recovered from the Additional Named Insured(s) for the insurance afforded.
- (c) Loss, if any, shall be adjusted with and payable to the Named Insured Mortgagee and the Additional Named Insured(s), as their interests may appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at the company's option.

DEDUCTIBLE: Please refer to the deductible shown above for the coverage provided by this policy.

THIS POLICY ONLY COVERS BUILDINGS. IT DOES NOT COVER YOUR PERSONAL PROPERTY.

For Customer Service Questions, please call our toll free Customer Service Number at: XXX-XXX-XXXX

To report a CLAIM, please contact our Claim Department at: XXX-XXX-XXXX

WASHINGTON SPECIAL PROVISIONS

This endorsement attaches to and becomes a part of the Commercial Hazard Coverage Form.

COVERED CAUSES OF LOSS

The first paragraph of **B. EXCLUSIONS** is deleted and replaced by:

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property; however we will not pay for loss or damage caused by any of the excluded events below. Loss or damage will be considered to have been caused by the excluded event if the occurrence of that event:

- a. Directly and solely results in loss or damage; or
- b. Initiates a sequence of events that results in loss or damage, regardless of the nature of any intermediate or final event in that sequence.

Exclusion **4.** Is deleted and replaced by:

4. (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nestling or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision;
- (7) The following causes of loss to personal property;
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 4.d. (1) through (7) results in a "specified cause of loss", building glass breakage or collapse, as provided in the Additional Coverage. Collapse., we will pay for the loss or damage caused by that "specified cause of loss", building glass breakage or collapse.

CONDITIONS

11. APPRAISAL is deleted and replaced by:

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

Each party will:

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

17. Cancellation is deleted and replaced by:

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice, together with our reason for cancellation, will be mailed to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records. Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.

- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 45 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
 - (b) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 45 days before the date cancellation takes effect.

- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 45 days before the date cancellation takes effect.

However, with respect to Paragraphs **b. (2), (3) and (4)** above, if two or more of the following conditions exist at any building that is covered under this policy, we may cancel this policy by letting you and, if applicable, your agent or broker know at least 5 days before the date cancellation takes effect. We will also let any mortgagee or other person shown by the policy to have an interest in a covered loss know at least 20 days before the date cancellation takes effect.

- (1) Without reasonable explanation, the building is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days unless the building is maintained for seasonal occupancy or is under construction or repair;
 - (2) Without reasonable explanation, progress toward completion of permanent repairs to the building has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
 - (3) Because of its physical condition, the building is in danger of collapse;
 - (4) Because of its physical condition, a vacation or demolition order has been issued for the building, or it has been declared unsafe in accordance with applicable law;
 - (5) Fixed and salvageable items have been removed from the building, indicating an intent to vacate the building;
 - (6) Without reasonable explanation, heat, water, sewer, and electricity are not furnished for the building for 60 consecutive days; or
 - (7) The building is not maintained in substantial compliance with fire, safety and building codes.
- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 - d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it as soon as possible, but no later than:
 - (1) 45 days after we send a notice of cancellation to you; or
 - (2) 30 days after we receive the policy or a notice of cancellation from you.
 - e. Except as noted above, if the policy is canceled by us, we will give the same advance notice of cancellation in writing to any mortgagee or other person shown by the policy to have an interest in a covered loss as we give to you. The cancellation notice may be delivered or mailed; if mailed, proof of mailing will be sufficient proof of notice.

18. Nonrenewal is deleted and replaced by the following:

We may elect not to renew this policy. We may do so by mailing to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records, written notice, including our reason for refusing to renew, at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

If we have offered in writing, either directly or through our agent, at least 20 days before the expiration date of this policy, to renew this policy, and have included a statement of the renewal premium due, we may terminate this policy on its expiration date if you fail to pay the required premium when due.

For the purpose of determining the date when nonrenewal can be effected: A policy with a term of six months or less is considered as if written for a policy period of six months. A policy written for a term longer than one year or a policy with no fixed expiration date is considered as if written for a period of one year.

All other provisions of this policy apply.

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

RESIDENTIAL FLOOD

Flood Master Policy Declarations

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

<p>MASTER POLICY NUMBER</p> <hr/> <p>POLICY PERIOD:</p> <p>FROM 12:01 a.m. Standard Time at the Address of the Named Insured Mortgagee, until canceled.</p> <hr/> <p>ELIGIBLE REAL ESTATE:</p> <p>Coverage applies only to 1 to 4 unit residential properties, manufactured homes, modular homes, town homes, row houses, and condominiums (dwelling only) in which the Named Insured Mortgagee has an insurable interest as mortgagee or as the servicing agent by written agreement. Individual covered properties are specified in the Additional Named Insured Certificate issued under this policy.</p> <hr/> <p>PERILS INSURED AGAINST AND COVERAGE PROVIDED:</p> <p>Coverage applies to insured property against loss caused by Flood or Flooding in accordance with the provisions of Coverage forms and endorsements attached to this policy.</p>	<p style="text-align: right; font-size: small;">Maximum Amount Per Loss Occurrence</p> <p>Flood (Building only) \$ _____</p> <p>The amount of insurance will be shown on each individual Additional Named Insured Certificate issued under this master policy, subject to the maximum shown above applying to any one Individual Described Property.</p> <p>Please refer to the attached Schedule for Annual Rates per \$100 and Deductibles by State</p> <hr/> <p>ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.</p>
--	--

This policy is made and accepted subject to all of the stipulations and conditions contained on this and the following pages which are hereby specifically referred to and made a part thereof, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto; no officer, agent, or other representative of the Company shall have the power to waive or be deemed to have waived any provision or condition of this policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the Named Insured Mortgagee unless so written or attached.

IN WITNESS WHEREOF, the Company caused this policy to be executed and attested; but this policy shall not be valid unless countersigned by a duly authorized agent of the Company.

Tracy E. Sale

 Countersigning Agent
 (if required by State Insurance Law)

 City and State

 Date

SPECIAL CONDITIONS:

1. **Term:** Coverage shall apply to each individual covered property during the policy period specified on each individual Additional Named Insured Certificate. If the insurance afforded by this policy is also provided by other insurance terminating at noon on the inception date of coverage, insurance under this policy shall not become effective until such other insurance has terminated.
2. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
3. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
4. **Cancellation:** Individual Additional Named Insured Certificates may be canceled according to the terms of the attached coverage forms and endorsements. This policy may be canceled by us or you upon 45 days written notice. When the policy is canceled, individual Additional Named Insured Certificates will remain in effect until expiration or until they are individually canceled, whichever is earlier. All your rights, duties, and obligations under each Additional Named Insured Certificates will remain in effect until such expiration or cancellation.
5. **Foreclosure:** If through foreclosure the Additional Named Insured loses his interest in the property, all provisions of this policy will still apply as though "mortgagee" was changed to read "owner through foreclosure" throughout, except that there is no "Additional Insured".

WASHINGTON SPECIAL PROVISIONS

This endorsement attaches to and becomes a part of the Residential Flood Coverage Form.

CONDITIONS

4. Concealment or Fraud is deleted and replaced by the following:

4. Concealment or Fraud. With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements with the intent to deceive;

relating to this insurance.

5. Your Duties After Loss, item **a.** is replaced by:

- a. give prompt notice to us or our agent;

12. Loss Payment is deleted and replaced by the following:

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

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

14. Our Rights (Subrogation) is deleted and replaced by:

You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

18. Cancellation is deleted and replaced by the following:

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice, together with our reason for cancellation, will be mailed to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records. Proof of mailing will be sufficient proof of notice.

(1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.

(2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 45 days before the date cancellation takes effect.

(3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

(a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

(b) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 45 days before the date cancellation takes effect.

(4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 45 days before the date cancellation takes effect.

However, with respect to Paragraphs **b. (2), (3) and (4)** above, if two or more of the following conditions exist at any building that is covered under this policy, we may cancel this policy by letting you and, if applicable, your agent or broker know at least 5 days before the date cancellation takes effect. We will also let any mortgagee or other person shown by the policy to have an interest in a covered loss know at least 20 days before the date cancellation takes effect.

- (1) Without reasonable explanation, the building is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days unless the building is maintained for seasonal occupancy or is under construction or repair;
 - (2) Without reasonable explanation, progress toward completion of permanent repairs to the building has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
 - (3) Because of its physical condition, the building is in danger of collapse;
 - (4) Because of its physical condition, a vacation or demolition order has been issued for the building, or it has been declared unsafe in accordance with applicable law;
 - (5) Fixed and salvageable items have been removed from the building, indicating an intent to vacate the building;
 - (6) Without reasonable explanation, heat, water, sewer, and electricity are not furnished for the building for 60 consecutive days; or
 - (7) The building is not maintained in substantial compliance with fire, safety and building codes.
- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 - d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it as soon as possible, but no later than:
 - (1) 45 days after we send a notice of cancellation to you; or
 - (2) 30 days after we receive the policy or a notice of cancellation from you.
 - e. Except as noted above, if the policy is canceled by us, we will give the same advance notice of cancellation in writing to any mortgagee or other person shown by the policy to have an interest in a covered loss as we give to you. The cancellation notice may be delivered or mailed; if mailed, proof of mailing will be sufficient proof of notice.

19. Nonrenewal is deleted and replaced by the following:

We may elect not to renew this policy. We may do so by mailing to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records, written notice, including our reason for refusing to renew, at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

If we have offered in writing, either directly or through our agent, at least 20 days before the expiration date of this policy, to renew this policy, and have included a statement of the renewal premium due, we may terminate this policy on its expiration date if you fail to pay the required premium when due.

For the purpose of determining the date when nonrenewal can be effected: A policy with a term of six months or less is considered as if written for a policy period of six months. A policy written for a term longer than one year or a policy with no fixed expiration date is considered as if written for a period of one year.

All other provisions of this policy apply.

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

RESIDENTIAL PROPERTY

Hazard Master Policy Declarations

NAMED INSURED MORTGAGEE
 NAME AND ADDRESS

MASTER POLICY NUMBER	<p style="text-align: right;">Maximum Amount Per Loss Occurrence</p> Dwelling \$ _____
POLICY PERIOD: FROM 12:01 a.m. Standard Time at the Address of the Named Insured Mortgagee, until canceled.	The amount of insurance will be shown on each individual Additional Named Insured Certificate issued under this master policy, subject to the maximum shown above applying to any one Individual Described Property.
ELIGIBLE REAL ESTATE: Coverage applies only to 1 to 4 unit residential properties, manufactured homes, modular homes, Town homes, Row houses, and Condominiums (dwelling only) as specified in the Additional Named Insured Certificate issued under this policy.	The attached Schedule of Coverage provided indicates the Annual Rates per \$100 and Deductibles by State.
PERILS INSURED AGAINST AND COVERAGE PROVIDED: Coverage applies to insured property against risks of direct loss to Eligible Real Estate in compliance with all policy provisions.	ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.

This policy is made and accepted subject to all of the stipulations and conditions contained on this and the following pages which are hereby specifically referred to and made a part thereof, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto; no officer, agent, or other representative of the Company shall have the power to waive or be deemed to have waived any provision or condition of this policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the Named Insured Mortgagee unless so written or attached.

IN WITNESS WHEREOF, the Company caused this policy to be executed and attested; but this policy shall not be valid unless countersigned by a duly authorized agent of the Company.



 Countersigning Agent
 (if required by State Insurance Law)

 City and State

 Date

SPECIAL CONDITIONS:

1. **Term:** Coverage shall apply to each individual covered property during the policy period specified on each individual Additional Named Insured Certificate. If the insurance afforded by this policy is also provided by other insurance terminating at noon on the inception date of coverage, insurance under this policy shall not become effective until such other insurance has terminated.
2. **Verification of Values:** We or our duly appointed representatives shall be permitted at all reasonable times during the term of this policy, and during the pendency or litigation of any claim of any claim or within two years after the filing thereof, to inspect the covered property and to examine your books, records and such policies as they relate to any covered property. This inspection or examination shall not waive or in any manner affect any of the provisions of this policy.
3. **Mortgagee's Interest:** Your interest in this insurance will not be reduced by any acts or omissions of any Additional Named Insured over which you have no knowledge or control.
4. **Cancellation:** Individual Additional Named Insured Certificates may be canceled according to the terms of the attached Dwelling Coverage Form. This policy may be canceled by us or you upon 45 days written notice. When the policy is canceled, individual Additional Named Insured Certificates will remain in effect until expiration or until they are individually canceled, whichever is earlier. All your rights, duties, and obligations under each Additional Named Insured Certificates will remain in effect until such expiration or cancellation.
5. **Foreclosure:** If through foreclosure the Additional Named Insured loses his interest in the property, all provisions of this policy will still apply as though "mortgagee" was changed to read "owner through foreclosure" throughout, except that there is no "Additional Insured".
6. The policy, including all endorsements attached thereto, contain the entire contract between the insured(s) and Company.

QBE Insurance Corporation
 88 Pine Street 16th Floor
 New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

LOAN NUMBER

Additional Named Insured Certificate

ADDITIONAL NAMED INSURED

NAME AND ADDRESS (Street No., City, State, Zip)

NAMED INSURED MORTGAGEE

NAME AND ADDRESS

		Amount of Insurance	Premium
POLICY NUMBER	Dwelling	\$	\$
POLICY TERM: FROM TO <input type="checkbox"/> NOON <input type="checkbox"/> 12:01 AM	Personal Property Endorsement	\$	\$
	Additional Living Expense Endorsement	\$	\$
	Other Endorsements		\$
	Deductible - per loss occurrence		
DESCRIBED LOCATION (if different from mailing address)	Property is VACANT at time of loss	\$	
	Vandalism & Malicious Mischief	\$	
	All Other Covered Losses	\$	
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.		Limit of Liability	Premium
	Personal Liability Endorsement	\$	\$
	Medical Payments	\$	
	MUNICIPAL TAXES	Tax Code	\$
	OTHER TAXES		\$
	TOTAL CHARGES		\$

NOTICE TO ADDITIONAL NAMED INSURED (BORROWER):

THIS INSURANCE WILL NOT PROVIDE COVERAGE FOR AN AMOUNT GREATER THAN THE AMOUNT OF INSURANCE SHOWN ABOVE. THIS POLICY MAY NOT FULLY PROTECT YOUR INTEREST IN THE PROPERTY LISTED. THIS POLICY DOES NOT PROVIDE PERSONAL PROPERTY COVERAGE OR LIABILITY COVERAGE, UNLESS INDICATED ABOVE. PLEASE REFER TO THE ATTACHED FORM(S) FOR A FULL DESCRIPTION OF THE TERMS AND LIMITATIONS OF THIS COVERAGE.

Personal Property and Personal Liability Coverages - We will cover your personal property, additional living expense or Personal Liability under this policy ONLY if an "Amount of Insurance" or "Limit of Liability" and a premium are shown above. Coverage will be provided according to the terms and conditions of the endorsements attached to this policy. If no "Amount of Insurance" or "Limit of Liability" is shown and no premium is shown no coverage will be provided for Personal Property, Additional Living Expense or Personal Liability. These endorsements are available only for a residence that is owner occupied. **These coverages are void if the residence is vacant or occupied by someone other than the Additional Named Insured shown above at the time of loss.**

DEDUCTIBLES: Please refer to the deductibles shown above for the coverage provided by this policy.

Subject to the terms and provisions of this policy and the coverage forms and endorsements attached hereto, it is agreed that the insurance applies to the property described above and to any person shown as an Additional Named Insured with respect to such property, subject to the following additional provisions:

- (a) The above Named Insured Mortgagee is authorized to act for the Additional Named Insured in all matters pertaining to this insurance including receipt of Notice of Cancellation; and return premium, if any.
- (b) The above Named Insured Mortgagee is authorized to advance all funds to be recovered from the Additional Named Insured for the insurance afforded.
- (c) Loss, if any, shall be adjusted with and payable to the above Named Insured Mortgagee and the Additional Named Insured as their interest may appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at the company's option.

For Customer Service questions, please call our toll free Customer Service Number at: XXX-XXX-XXXX

To report a CLAIM, please contact our Claim Department at: XXX-XXX-XXXX

QBE Insurance Corporation
88 Pine Street 16th Floor
New York, NY 10005
 Home Office: c/o CT Corporation
 1515 Market Street, Suite 1210
 Philadelphia, PA 19102

RESIDENTIAL PROPERTY

Additional Named Insured Certificate-Wind Only Coverage

LOAN NUMBER

ADDITIONAL NAMED INSURED
 NAME AND ADDRESS (Street No., City, State, Zip)

Named Insured Mortgagee
 NAME AND ADDRESS

		Amount of Insurance		Premium
POLICY NUMBER	Dwelling - Wind and Hail only	\$		\$
POLICY PERIOD:				
FROM TO 12:01 a.m. Standard Time at your Residence Address	Deductible - per loss	\$		
DESCRIBED LOCATION (if different from mailing address)				
ENDORSEMENTS ATTACHED AND FORMING A PART OF THE POLICY.	MUNICIPAL TAXES	Tax Code		\$
	OTHER TAXES			\$
	ANNUAL TOTAL CHARGES			\$

Subject to the terms and provisions of this policy and the coverage forms and endorsements attached hereto, it is agreed that the insurance applies to the property described above and to any person shown as an Additional Named Insured with respect to such property, subject to the following additional provisions:

- (a) The above Named Insured Mortgagee is authorized to act for the Additional Named Insured in all matters pertaining to this insurance including receipt of Notice of Cancellation; and return premium, if any.
- (b) The above Named Insured Mortgagee is authorized to advance all funds to be recovered from the Additional Named Insured for the insurance afforded.
- (c) Loss, if any, shall be adjusted with and payable to the above Named Insured Mortgagee and the Additional Named Insured as their interest may appear, either by a single instrument so worded or by separate instruments payable respectively to the Named Insured Mortgagee and the Additional Named Insured, at the company's option.

DEDUCTIBLES: Please refer to the deductibles shown above for the coverage provided by this policy.

For Customer Service questions, please call our toll free Customer Service Number at: XXX-XXX-XXXX

To report a CLAIM, please contact our Claim Department at: XXX-XXX-XXXX

PERSONAL PROPERTY ENDORSEMENT

In return for an additional premium and in compliance with all the terms and conditions of the Dwelling Hazard Coverage Form, we will provide the insurance described in this Endorsement. The coverage under this Endorsement shall apply only to the Additional Named Insured.

Throughout this Endorsement, "you" and "your" refer to the "Additional Named Insured" shown in the Declarations and his or her spouse if a resident of the same household. "We", "us", and "our" refer to the company providing this insurance. Certain other words and phrases are defined below. The policy is amended as follows:

Under "**COVERAGES**", **COVERAGE C - Personal Property** is added:

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location, provided the dwelling is not occupied by someone other than you or members of your family residing with you, or is not vacant for more than 30 days (if the dwelling is vacant, rented to others, or occupied by someone other than you and your family members residing with you, this coverage does not apply). At your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

Property Not Covered. We do not cover:

1. accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum, securities, silver other than silverware, tickets and stamps;
2. animals, birds or fish;
3. aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
4. motor vehicles or all other motorized land conveyances. This includes:
 - a. their equipment and accessories; or
 - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
 - (1) accessories or antennas; or
 - (2) tapes, wires, records, discs or other media for use with any such device or instrument;
 while in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

 - a. used to service the Described Location; or
 - b. designed for assisting the handicapped;
5. watercraft;
6. data, including data stored in:
 - a. books of account, drawings or other paper records; or
 - b. electronic data processing tapes, wires, records, discs or other software media.
7. credit cards or fund transfer cards;
8. trees, shrubs and plants.

If you move personal property from the Described Location to a newly acquired principal residence, the Coverage C Amount of Insurance will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the Amount of Insurance that the value at each residence bears to the total value of all personal property covered by this policy.

Under "OTHER COVERAGES", the following is added:

5. Property Removed. We insure covered personal property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the Amount of Insurance that applies to the personal property being removed.

Under "CONDITIONS," the following is added:

4. YOUR DUTIES AFTER LOSS:

- d. (6) An inventory of damaged personal property described in 4.f.
- e. Prepare an inventory of damaged personal property showing in detail, the quantity, description, actual cash value and amount of loss. Attach to the inventory all bills, receipts and related documents that substantiate the figures in the inventory.
- f. Notify the police in case of loss by theft.

5. LOSS SETTLEMENT:

- a.(3) Personal property;
At actual cash value at the time of loss but not more than the amount required to repair or replace.

26. Loss to a Pair or Set. In case of loss to pair or set we may elect to:

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

Amount of Insurance. The amount of insurance for this coverage is as shown on the declarations of the policy.

Special Limits of Liability. The limits listed below do not increase the limits stated on the declarations of this policy. The limit for each section is the total limit for each loss for all property named in each applicable section.

1. \$500 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
2. \$500 for loss by theft of firearms.
3. \$500 for loss by theft of silverware, semi-plated ware, gold-plated ware, and pewter ware. This includes flatware, goldware, tea sets, trays and trophies made of or including silver, gold, or pewter.

You may use up to 10% of the amount of insurance for loss by a Peril Insured Against (other than "Theft") to personal property covered while anywhere in the world. Use of this coverage reduces the personal property amount of insurance for the same loss.

PERILS INSURED AGAINST

We insure for direct loss to personal property caused by:

1. Fire or lightning.
2. Windstorm or hail.

This peril does not include loss to property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.
3. Explosion.
4. Riot or civil commotion.
5. Aircraft, including self-propelled missiles and spacecraft.
6. Vehicles.
7. Smoke, meaning sudden and accidental damage from smoke.
8. Vandalism or malicious mischief.

This peril does not include loss:

- a. by pilferage, theft, burglary or larceny; or
- b. to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss.

9. Damage by Burglars, meaning damage to covered personal property used by burglars.

This peril does not include loss:

- a. to property taken by burglars;
- b. to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss.

10. Falling Objects.

This peril does not include loss to property contained in the building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not covered.

11. Weight of ice, snow or sleet which causes damage to property contained in the building.

12. Collapse of buildings or any part of a building.

This peril does not include settling, cracking, shrinking, bulging, or expansion.

13. Accidental discharge or overflow of water or steam from within a plumbing, heating or air conditioning system or from within a household appliance.

This peril does not include loss:

- a. to the appliance from which the water or steam escaped;
- b. caused by or resulting from freezing;
- c. on the Described Location caused by accidental discharge or overflow which occurs off the described location; or
- d. to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss.

14. Sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning system, or an appliance for heating water.

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

15. Freezing of a plumbing, heating or air conditioning system or of a household appliance.

This peril does not include loss on the Described Location while the dwelling is unoccupied or being constructed, unless you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliances of water.

16. Sudden and accidental damage from artificially generated electrical current. This peril does not include loss to a tube, transistor or similar electronic components.

17. Theft, including attempted theft and loss of property from a known place when it is likely that the property has been stolen. This coverage is limited to personal property located inside the insured dwelling.

This peril does not include loss caused by theft:

- a. committed by the Additional Named Insured;
- b. in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
- c. from that part of the "Described Location" rented by an "Additional Named Insured" to other than an "Additional Named Insured".

CANCELLATION

1. You may cancel this Endorsement, without canceling the coverage on your dwelling, at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.
2. We may cancel this Endorsement without canceling the coverage on your dwelling by notifying you in writing of the date cancellation takes effect, as described in the policy.

Personal Liability Endorsement

In return for an additional premium and in compliance with all the terms and conditions of the Dwelling Hazard Coverage Form:

AGREEMENT

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

DEFINITIONS

Throughout this endorsement, “you”, “your” and “yours” refer to the Additional Named Insured shown in the Declarations and the spouse if a resident of the same household, and “we”, “us” and “our” refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **Bodily Injury** means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom of any person, except any insured as defined in 3.a. and 3.b., below.
2. **Business** includes trade, profession or occupation.
3. **Insured** means you and the following residents of your household:
 - a. your relatives;
 - b. any other person under the age of 21 who is in the care of any person named above;
 - c. with respect to animals or watercraft to which this endorsement applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3.a. or 3.b. above. A person or organization using or having custody of these animals or watercraft in the course of any business, or without permission of the owner is not an insured;
 - d. with respect to any vehicle to which this endorsement applies, any person while engaged in your employment or the employment of any person included in 3.a. or 3.b. above, or any other person using the vehicle on an insured location with your consent.
4. **Insured Location** means:
 - a. the residence premises;
 - b. the part of any other premises, other structures and grounds, used by you as a residence and which is shown in the Declarations or which is acquired by you during the policy period for your use as a residence;
 - c. any premises used by you in connection with the premises included in 4.a. or 4.b. above;
 - d. any part of a premises not owned by any insured but where any insured is temporarily residing;
 - e. vacant land, other than farm land, owned by or rented to any insured;
 - f. land owned by or rented to any insured on which a one or two family dwelling is being constructed as a residence for any insured;
 - g. individual or family cemetery plots or burial vaults of any insured;
 - h. any part of a premises occasionally rented to any insured for other than business purposes.
5. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
 - a. bodily injury; or
 - b. property damage.
6. **Personal Injury** means injury arising out of one or more of the following offenses:
 - a. false arrest, detention or imprisonment, or malicious prosecution;
 - b. libel, slander or defamation of character;
 - c. invasion of privacy, wrongful eviction or wrongful entry.

7. **Property Damage** means physical injury to or destruction of tangible property, including loss of use of this property.
8. **Residence employee** means an employee of any insured who performs duties in connection with the maintenance or use of the residence premises, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the business of any insured.
9. **Residence premises** means the one family dwelling, other structures and grounds or that part of any other building where you reside and which is shown as the residence premises in the Declarations. Residence premises also means a two family dwelling where you reside in at least one of the family units and which is shown as the residence premises in the Declarations.

LIABILITY COVERAGES

COVERAGE L - Personal Liability

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

- a. pay up to our limit of liability for the damages for which the insured is legally liable; and
- b. provide a defense at our expense by counsel of our choice even if the allegations are groundless, false or fraudulent. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to settle or defend any claim or suit ends when the amount we pay for damages resulting from the occurrence equals our limit of liability.

COVERAGE M - Medical Payments to Others

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an occurrence causing bodily injury. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except residence employees. As to others, this coverage applies only:

- a. to a person on the insured location with the permission of any insured; or
- b. to a person off the insured location, if the bodily injury:
 - 1) arises out of a condition on the insured location or the ways immediately adjoining;
 - 2) is caused by the activities of any insured;
 - 3) is caused by a residence employee in the course of the residence employee's employment by any insured;or
 - 4) is caused by an animal owned by or in the care of any insured.

A Medical Payment to others payment is not an admission of liability by you or us.

ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

1. Claim Expenses. We Pay:
 - a. expenses incurred by us and costs taxed against any insured in any suit we defend;
 - b. premiums on bonds required in a suit defended by us, but not for bond amounts greater than the limit of liability for Coverage L. We are not obligated to apply for or furnish any bond;
 - c. reasonable expenses incurred by any insured at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day for assisting us in the investigation or defense of any claim or suit; and d. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
2. First Aid Expenses. We will pay expenses for first aid to others incurred by any insured for bodily injury covered under this endorsement. We will not pay for first aid to you or any other insured.
3. Damage to Property of Others. We will pay up to \$500 per occurrence, on a replacement cost basis, for property damage to property of others caused by any insured.

We will not pay for property damage:

- a. to the extent of any amount recoverable under any coverage in the DWELLING COVERAGE FORM;

- b. caused intentionally by any insured who is 13 years of age or older;
- c. to property owned by or rented to any insured, a tenant of any insured, or a resident in your household; or
- d. arising out of:
 - 1) business pursuits of any insured;
 - 2) any act or omission in connection with a premises owned, rented or controlled by any insured, other than the insured location; or
 - 3) the ownership, maintenance or use of a motor vehicle, all other motorized land conveyances, aircraft or watercraft. This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an insured.

EXCLUSIONS

1. Coverage L - **Personal Liability** and Coverage M - **Medical Payments to Others** do not apply to bodily injury or property damage:
- a. which is expected or intended by the insured, or which is the foreseeable result of an act or omission intended by an insured, or which is performed at the direction of any insured;
 - b. arising out of or in connection with the business pursuits of any insured. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the business;
 - c. arising out of the rental or holding for rental of any part of any premises by any insured. This exclusion does not apply to the rental or the holding for rental of an insured location:
 - 1) on an occasional basis for the exclusive use as a residence;
 - 2) in part for use only as a residence, unless a one family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - 3) in part, as an office, school, studio or private garage;
 - d. arising out of the rendering of or failing to render professional services;
 - e. arising out of any premises owned by or rented to any insured or a premises rented to others by an insured which is not an Insured location;
 - f. Arising out of:
 - (1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";
 - (2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or
 - (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.

This exclusion does not apply to:

 - (1) A trailer not towed by or carried on a motorized land conveyance.
 - (2) A motorized land conveyance designed for recreational use off public roads not subject to motor vehicle registration, or a golf cart or snowmobile provided that it is:
 - (a) Not owned by an "insured"; or
 - (b) Owned by an "insured" and on an "insured location";
 - (3) A motorized golf cart when used to play golf on a golf course;
 - (4) A vehicle or conveyance not subject to motor vehicle registration which is:
 - (a) Used to service an "insured's" residence;
 - (b) Designed for assisting the handicapped; or
 - (5) A motorized land conveyance in dead storage on an "insured location";

g. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
- (2) The entrustment by an "insured" of an excluded watercraft described below to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

(1) That are not sailing vessels and are powered by:

- (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less;
- (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
- (c) One or more outboard engines or motors with 25 total horsepower or less;
- (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";
- (e) Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:
 - (i) You acquire them prior to the policy period; and
 - (a) You declare them at policy inception; or
 - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
 - (ii) You acquire them during the policy period.

This coverage applies for the policy period.

(2) That are sailing vessels, with or without auxiliary power:

- (a) Less than 26 feet in overall length;
- (b) 26 feet or more in overall length, not owned by or rented to an "insured."

(3) That are stored;

h. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of an aircraft;
- (2) The entrustment by an "insured" of an aircraft to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model aircraft;

- i. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental;
- j. arising out of the transmission of a communicable disease by an insured;
- k. arising out of corporal punishment, physical or mental abuse, or any sexual act, including, but not limited to, assault, molestation, abuse, incest or rape;
- l. arising out of any personal injury offense;
- m. arising out of the serving or furnishing of alcoholic beverages;
- n. arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician;
- o. arising out of the use of or possession of, including dumping, discharge or escape of irritants, pollutants or contaminants, including lead paint. Any loss, cost, or expense arising out of any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- p. arising out of or in connection with child care services provided by or at the direction of:
 - 1) any insured;
 - 2) any employee of any insured; or
 - 3) any other person actually or apparently acting on behalf of any insured.

2. Coverage L - **Personal Liability**, does not apply to:

- a. liability for your share of any loss assessment charged against all members of an association, corporation or community of property owners;

- b. liability assumed under any contract or agreement. However, this exclusion does not apply to written contracts:
 - 1) that directly relate to the ownership, maintenance or use of an insured location; or
 - 2) where the liability of others is assumed by the insured prior to an occurrence;
 unless excluded in a. above or elsewhere in this endorsement;
 - c. property damage to property owned by the insured;
 - d. property damage to property rented to, occupied or used by or in the care of the Insured. This exclusion does not apply to property damage caused by fire, smoke or explosion;
 - e. bodily injury to any person eligible to receive any benefits required to be provided or voluntarily provided by the insured under any workers' compensation, non-occupational disability, or occupational disease law;
 - f. bodily injury or property damage for which any insured under this endorsement is also an insured under a nuclear energy liability policy or would be an insured under that policy but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by American Nuclear Insurers, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors;
 - g. liability for punitive or exemplary damages awarded against any insured; or
 - h. liability arising out of any illegal act committed by or at the direction of any insured.
3. Coverage M - **Medical Payments to Others**, does not apply to bodily injury
- a. to any person, other than a residence employee of an insured, regularly residing on any part of the insured location;
 - b. to a residence employee if the bodily injury occurs off the insured location and does not arise out of or in the course of the residence employee's employment by any Insured;
 - c. to any person eligible to receive any benefits required to be provided or voluntarily provided under any workers' compensation, non-occupational disability or occupational disease law;
 - d. from any nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

CONDITIONS

1. **Policy Period.** This optional endorsement applies only to bodily injury or property damage which occurs during the policy period as shown in the Additional Named Insured Endorsement.
2. **Limit of Liability.** Regardless of the number of Insureds, claims made or persons injured, our total liability under Coverage L for all damages resulting from any one occurrence shall not exceed the limit of liability for Personal Liability shown on the Additional Named Insured Endorsement. All bodily injury and property damage resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one occurrence.

Our total liability under Coverage M for all medical expense payable for bodily injury to one person as the result of one occurrence shall not exceed the limit of liability for Coverage M stated in the Declarations.
3. **Severability of Interest.** This insurance applies separately to each insured. This condition shall not increase our limit of liability for any one occurrence.
4. **Duties After Loss.** In case of an occurrence, the insured shall perform the following duties that apply. You shall cooperate with us in seeing that these duties are performed:
 - a. give written notice to us or our agent as soon as is practical, which sets forth:
 - 1) the identity of the policy and insured;
 - 2) reasonably available information on the time, place and circumstances of the occurrence; and
 - 3) names and addresses of any claimants and available witnesses;
 - b. forward to us every notice, demand, summons or other process relating to the occurrence;
 - c. at our request, assist in:
 - 1) making settlement;
 - 2) the enforcement of any right of contribution or indemnity against any person or organization who may be liable to any insured;
 - 3) the conduct of suits and attend hearings and trials;

- 4) securing and giving evidence and obtaining the attendance of witnesses;
 - d. under the coverage - Damage to the Property of Others, submit to us within 60 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the insured's control;
 - e. the insured shall not, except at the insured's own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the bodily injury.
5. **Duties of an Injured Person - Coverage M - Medical Payments to Others.** The injured person or someone acting on behalf of the injured person shall:
- a. give us written proof of claim, under oath if required, as soon as is practical; and
 - b. execute authorization to allow us to obtain copies of medical reports and records.
- The injured person shall submit to physical examination by a physician selected by us when and as often as we reasonably require.
6. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the provisions of this endorsement.
- No one shall have any right to join us as a party to any action against an insured. Also, no action with respect to Coverage L can be brought against us until the obligation of the insured has been determined by final judgment or agreement signed by us.
- Any person or organization or their legal representative who has secured such judgment or written agreement against the insured shall be entitled to recover under this policy to the extent of the insurance afforded under this policy.
7. **Bankruptcy of any Insured.** Bankruptcy or insolvency of any insured shall not relieve us of any of our obligations under this endorsement.
8. **Other Insurance - Coverage L- Personal Liability.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this endorsement.
9. **Subrogation.** Any insured may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, any insured shall sign and deliver all related papers and cooperate with us in any reasonable manner. Subrogation does not apply to Medical Payments to Others or Damage to Property of Others.

ADDITIONAL FINANCIAL INTEREST ENDORSEMENT

This endorsement attaches to and becomes part of the Dwelling Hazard Coverage Form

CONDITIONS

12. Loss Payment. is deleted and replaced by the following:

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

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

All other provisions of this policy apply.

WASHINGTON SPECIAL PROVISIONS

This endorsement attaches to and becomes a part of the Dwelling Hazard Coverage Form.

DEFINITIONS

The following definition is added:

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

1. Actual Cash Value means:

- a. When the damage to property is economically repairable, actual cash value means the cost of repairing the damage, less reasonable deduction for wear and tear, deterioration and obsolescence.
- b. When the loss or damage to property creates a total loss, actual cash value means the market value of property in a used condition equal to that of the destroyed property, if reasonably available on the used market.
- c. Otherwise, actual cash value means the market value of new, identical or nearly identical property less reasonable deduction for wear and tear, deterioration and obsolescence.

2. Replacement cost means:

- a. In case of loss or damage to buildings, replacement cost means the cost, at the time of loss, to repair or replace the damaged property with new materials of like kind and quality, without deduction for depreciation.
- b. In case of loss to personal property, replacement cost means the cost, at the time of loss, of a new article identical to the one damaged, destroyed or stolen. When the identical article is no longer manufactured or is not available, replacement cost means the cost of a new article similar to the one damaged or destroyed and which is of comparable quality and usefulness, without deduction for depreciation.

PERILS INSURED AGAINST

Under Perils Insured Against, Coverage A - Dwelling and Coverage B - Other Structures, the first paragraph is deleted and replaced by:

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property; however we will not pay for loss or damage caused by any of the excluded events below. Loss or damage will be considered to have been caused by the excluded event if the occurrence of that event:

- a. Directly and solely results in loss or damage; or
- b. Initiates a sequence of events that results in loss or damage, regardless of the nature of any intermediate or final event in that sequence.

CONDITIONS

3. Concealment or Fraud is deleted and replaced by the following:

3. Concealment or Fraud. With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements with the intent to deceive;
- relating to this insurance.

13. Loss Payment is deleted and replaced by the following:

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

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

15. Cancellation is deleted and replaced by the following:

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice, together with our reason for cancellation, will be mailed to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records. Proof of mailing will be sufficient proof of notice.
 - (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 45 days before the date cancellation takes effect.
 - (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
 - (b) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 45 days before the date cancellation takes effect.
 - (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 45 days before the date cancellation takes effect.

However, with respect to Paragraphs **b. (2), (3) and (4)** above, if two or more of the following conditions exist at any building that is covered under this policy, we may cancel this policy by letting you and, if applicable, your agent or broker know at least 5 days before the date cancellation takes effect. We will also let any mortgagee or other person shown by the policy to have an interest in a covered loss know at least 20 days before the date cancellation takes effect.

 - (1) Without reasonable explanation, the building is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days unless the building is maintained for seasonal occupancy or is under construction or repair;
 - (2) Without reasonable explanation, progress toward completion of permanent repairs to the building has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
 - (3) Because of its physical condition, the building is in danger of collapse;
 - (4) Because of its physical condition, a vacation or demolition order has been issued for the building, or it has been declared unsafe in accordance with applicable law;
 - (5) Fixed and salvageable items have been removed from the building, indicating an intent to vacate the building;
 - (6) Without reasonable explanation, heat, water, sewer, and electricity are not furnished for the building for 60 consecutive days; or
 - (7) The building is not maintained in substantial compliance with fire, safety and building codes.
- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it as soon as possible, but no later than:
 - (1) 45 days after we send a notice of cancellation to you; or
 - (2) 30 days after we receive the policy or a notice of cancellation from you.
- e. Except as noted above, if the policy is canceled by us, we will give the same advance notice of cancellation in writing to any mortgagee or other person shown by the policy to have an interest in a covered loss as we give to you. The cancellation notice may be delivered or mailed; if mailed, proof of mailing will be sufficient proof of notice.

16. Nonrenewal is deleted and replaced by the following:

We may elect not to renew this policy. We may do so by mailing to you and, if applicable, your agent or broker at the last addresses known to us or shown by our records, written notice, including our reason for refusing to renew, at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

If we have offered in writing, either directly or through our agent, at least 20 days before the expiration date of this policy, to renew this policy, and have included a statement of the renewal premium due, we may terminate this policy on its expiration date if you fail to pay the required premium when due.

For the purpose of determining the date when nonrenewal can be effected: A policy with a term of six months or less is considered as if written for a policy period of six months. A policy written for a term longer than one year or a policy with no fixed expiration date is considered as if written for a period of one year.

When this policy includes the **Personal Liability Endorsement (RP1405)** or the **Premises Liability Endorsement (RP1406)**, the following changes apply:

DEFINITIONS

Definition 1. Is deleted and replaced by:

1. Bodily injury means bodily harm, sickness or disease, except a disease which is transmitted by an insured through sexual contact. Bodily injury includes required care, loss of services and death resulting from covered bodily harm, sickness or disease.

EXCLUSIONS

Exclusion 1. **F. 2) d)** is deleted and replaced by:

d) a vehicle or conveyance not subject to motor vehicle licensing which is:

- (1) used to service an insured's residence;
- (2) designed to assisting the handicapped; or
- (3) in dead storage on an insured location;

Exclusion 1. i. is deleted in its entirety.

All other provisions of this policy apply.