

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## LOSS PAYABLE PROVISIONS

(FOR USE ONLY WITH THE HOME BUSINESS INSURANCE COVERAGE ENDORSEMENT)

### SCHEDULE\*

Name And Address Of Loss Payee	Description Of Property	Indicate If Condition A, B, Or C Below Apply.

\*Entries may be left blank if shown elsewhere in this policy for this coverage.

The following Loss Payable Condition(s) applies as indicated in the Schedule above.

#### A. Loss Payable

For covered "business" property in which both you and a Loss Payee shown in the Schedule have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss jointly to you and the Loss Payee, as interests may appear.

#### B. Lender's Loss Payable

1. You have affirmed that the Loss Payee shown in the Schedule is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of covered "business" property, whose interest in that covered property is established by such written contracts as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading; or
- d. Financing statements.

2. For covered "business" property in which both you and a Loss Payee described in **B.1.** above have an insurable interest:

- a. We will pay for covered loss to each Loss Payee in their order of precedence, as interests may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure for similar action on the covered property.
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of this endorsement, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (1) Pays, at our request, any premium due for the Home Business Insurance Coverage endorsement if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of Section I of the Homeowners Policy that apply with respect to the Home Business Insurance Coverage endorsement will then apply directly to the Loss Payee; or

- d. If we pay the Loss Payee for any loss and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and  
(2) The Loss Payee's right to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel the policy or the Home Business Insurance Coverage endorsement, we will give written notice to the Loss Payee at least:

- a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or  
b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we do not renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

#### **C. Contract Of Sale**

1. The Loss Payee shown in the Schedule is a person or organization you have entered a contract with for the sale of covered "business" property.  
2. For covered "business" property in which both you and the Loss Payee have an insurable interest, we will:  
a. Adjust losses with you; and  
b. Pay any claim for loss jointly to you and the Loss Payee, as interests may appear.

All other provisions of this policy apply