

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOBILEHOME LIENHOLDER'S SINGLE INTEREST

1. Agreement

We also cover only the interest of the lienholder or his assignee named in the Declarations in the mobilehome covered under Coverage **A** against:

- a.** Direct loss to the mobilehome while in transit caused by:
 - (1)** Collision of the mobilehome with:
 - (a)** Another object; or
 - (b)** The vehicle to which it is attached; or
 - (2)** By upset of the mobilehome.
- b.** Loss from conversion, embezzlement or secretion of the mobilehome by a retail purchaser or borrower in lawful possession, under a:
 - (1)** Valid bailment lease;
 - (2)** Conditional sale or purchase agreement; or
 - (3)** Mortgage or other encumbrance.

2. Recovery Conditions

The following conditions must be satisfied for the lienholder to recover:

- a.** There are no payments more than thirty days past due under any contract of encumbrance covering the mobilehome as of the effective date of this coverage; and
- b.** The lienholder shall not make any loss settlement, except at his own cost, without our written consent; and
- c.** In case of a loss by the Perils Insured Against and at our request, the lienholder shall use all reasonable means to save, preserve, and recover the mobilehome. We agree to reimburse the lienholder for all reasonable expenses incurred at our request; and
- d.** The purchaser has defaulted in payment; and
- e.** The lienholder has repossessed the mobilehome; and
- f.** The purchaser or borrower has abandoned the mobilehome as a result of a loss covered under this policy; and
- g.** For any loss for conversion, embezzlement or secretion the lienholder has made every reasonable effort to locate the purchaser or borrower to collect overdue payments and, if that fails, to repossess the mobilehome.

3. Lienholder's Duties After Loss

When the lienholder becomes aware of any loss to the mobilehome that might impair his interest, the lienholder shall notify us as soon as practicable. The lienholder shall protect the mobilehome from further loss. We will not pay any loss caused by the failure of the lienholder to protect the mobilehome.

4. Date Of Loss

The date we receive written notice that the lienholder has complied with all the Recovery Conditions, shall be the date of loss for the purpose of this coverage.

5. Limits Of Liability – Settlement Options

Our liability shall not exceed the smallest of the following amounts:

- a.** Under Agreement **1.a.** the cost to repair or replace the mobilehome with other of like kind or quality.

In this Agreement **1.a.**, the terms "repair" or "replace" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except as provided in Ordinance Or Law Coverage Endorsement **MH 04 08**, if attached to this policy.

- b.** Under Agreement **1.a.** and **1.b.** the amount of any impairment of the lienholder's interest represented by an unpaid balance not more than sixty days past due, less insurance, interest, finance and other carrying charges, computed pro rata from the date of loss. These carrying charges shall:

- (1)** Be deemed to accrue in equal installments on the payment dates fixed by the contract; and
- (2)** Shall not include any penalty or other charges added to the unpaid balance after the inception date of the contract.

The lienholder's interest shall be considered impaired when the value of the mobilehome because of loss is reduced to an amount less than the lienholder's interest.

- c.** Under Agreement **1.a.** and **1.b.** the actual cash value as of the date of loss.

d. Under Agreement **1.b.**, if the mobilehome is located within sixty days from date of loss, at our option, the cost of transporting the mobilehome to the:

- (1) Lienholder's place of business nearest to the point of recovery; or
 - (2) "Insured's" address;
- without payment for damage to the mobilehome, its parts or equipment.

SETTLEMENT OPTION

Under Agreement **1.a.** and **1.b.** we may:

- (1) Pay for the loss in money;
- (2) Repair or replace the mobilehome;
- (3) Return any property with payment for damage at any time before the damage is repaired or loss is paid; or
- (4) Take all or part of the mobilehome at the agreed or appraised value. However, we will not accept any abandonment of the property.

6. Payment Of Claim

The payment of any loss under one of the above coverages shall reduce the amount of recovery under any other coverage by the amount so paid.

7. Examination Of Records

We shall be permitted at all reasonable times to examine the books, records and files of the lienholders for the purpose of determining any facts relative to this insurance.

8. Cancellation

The premium charged for this coverage is a minimum annual premium. If cancellation is requested by interested parties, the premium shall be fully earned. If we cancel, the earned premium shall be computed on a pro rata basis.