



Declarations

POLICY NUMBER: 1231080

Item 1 **NAMED INSURED:**

Name: Sussex County Federal Credit Union
Street: 1941 Bridgeville Highway
City, State Zip Seaford, DE 19973

Item 2. **POLICY PERIOD:** From: November 1, 2016 To: Continuous Until Cancelled
at 12:01 A.M. Standard Time at the address of the **Named Insured** as shown in Item 1.

Item 3. **PREMIUM RATE:** The premium for each **described location** shall be computed by applying the following rate per hundred to the **Amount of Insurance** appearing on the **Notice of Insurance**.

SECTION I - CREDITOR PLACED INSURANCE

The following rates apply to property for which the **Named Insured** has an insurable interest as the mortgagee or as servicing agent for the **mortgagee interest** of others:

	Occupied Rate	Vacant/Unoccupied Rate
Dwelling	\$0.90 per \$100	\$0.90 per \$100
Building	\$1.35 per \$100	\$2.70 per \$100

SECTION II - REAL ESTATE OWNED

The following rates apply to property for which the **Named Insured** has an insurable interest as the owner or as the servicing agent for property owned by others:

	Occupied Rate	Vacant/Unoccupied Rate
Dwelling	Not Applicable	Not Applicable
Building	Not Applicable	Not Applicable

Item 4. **AMOUNT OF INSURANCE:** Our liability shall not exceed the **Amount of Insurance** appearing on the **Notice of Insurance**, the cost to repair or replace, or the Limit of Liability. Settlement on an actual cash value or co-insurance basis may apply to certain losses. Refer to V. LOSS SETTLEMENT of the policy for actual terms and conditions.

Item 5. **DEDUCTIBLE:** Deductibles apply to each and every loss according to the LIMIT AND DEDUCTIBLE SCHEDULE.

Item 6. **REPORTING PERIOD:** ☐ Weekly ☐ Bi-Weekly ☒ Monthly ☐ Other

Item 7. **ENDORSEMENTS:** Per Forms Schedule ACE-8001 (08/99)

Unless indicated otherwise by endorsement, this policy does not provide coverage for flood, earth movement, contents, errors & omissions or liability, nor does it provide coverage for the interest or equity of the mortgagor. This is creditor placed insurance, protecting your mortgagee interest, subject to policy terms and conditions. Please read your policy for specific terms and conditions of coverage.



MORTGAGE PROTECTION INSURANCE

GREAT AMERICAN ASSURANCE COMPANY
Executive Offices: 301 E. Fourth Street, 25th Floor
Cincinnati, OH 45202

Throughout this policy "**you**" and "**your**" refer to the **Named Insured** shown on the policy Declarations; "**we**", "**us**", and "**our**" refer to the insurance company providing this policy. Other words and phrases in bold faced type have specific meaning. Please refer to **II. DEFINITIONS** for specific definitions of bold faced words.

I. AGREEMENT

In return for payment of all premium due and **your** compliance with all applicable provisions of this policy, **we** will insure **you** against direct loss or damage to property in which **you** have:

- a. a **mortgagee interest**, and **acceptable hazard insurance** has been cancelled or has not been received from the **mortgagor**; or
- b. an ownership interest as a result of a foreclosure, conveyance, transfer of title or purchase; or
- c. an insurable interest as a trustee or servicing agent for others.

II. DEFINITIONS

- A. **Named Insured** means the creditor, lending institution, company, or person holding or servicing the **mortgagee interest** on the **described location**.
- B. **Mortgagor** is the purchaser of the **described location** for whom **you** have financed property or which **you** are servicing for others under the terms of a written agreement. The **mortgagor** is not a **Named Insured** under this policy.
- C. **Dwelling** means a structure of one to four units, on a permanent foundation, used exclusively for personal family residential purposes with no other occupancies.
- D. **Building** means any structure other than a **dwelling**.
- E. **Described location** means any **building** or **dwelling** or Other Structures located within the outer property lines of the premises described in the **mortgage agreement**. The **described location** must be one continuous property site, or would be one continuous property site, except for the existence of roadways, streams or right of ways.
- F. **Mortgagee agreement** means a mortgage, conditional sales agreement, deed of trust, contract for deed, loan contract, contract for sale, or any other instrument creating a security interest in real property.
- G. **Mortgagee interest** means **your** interest in the **described location** under a **mortgage agreement**, including the **mortgagee interest** of others **you** service under a written servicing agreement.
- H. **Notice of Insurance** means a written acknowledgement by **us** of coverage for a **described location**.
- I. **Amount of Insurance** means the dollar amount shown in Item 3. of the **Notice of Insurance**.
- J. **Acceptable Hazard Insurance** means insurance on the **described location** naming **you** as mortgage holder and meeting **your** requirements set forth in the **mortgage agreement**.
- K. **Replacement cost** means the cost, at the time of loss, to repair or replace the damaged property, using current construction materials and methods for equivalent construction and use on the same premises, without deduction for depreciation, deterioration or obsolescence. **Replacement cost** does not mean reproduction costs.
- L. **Actual Cash Value** means the cost, at the time of loss, to repair or replace the damaged property, using current construction materials and methods for equivalent construction and use on the same premises, subject to a deduction for depreciation, deterioration or obsolescence.
- M. **Schedule** means any reporting form that **we** have provided to **you**.
- N. **Policy Period** means the period of time beginning at 12:00 a.m. at **your** address shown in Item 1. of the policy Declarations on the Effective Date shown in Item 2 of the policy Declarations and ending at 11:59

p.m. on the earlier of the Expiration Date shown in Item 2 of the policy Declarations or the cancellation date, if applicable.

III. COVERAGE

Coverage applies to the following property when an **Amount of Insurance** and a premium are shown on a **Notice of Insurance**:

A. We will cover the building or dwelling and:

1. completed additions, extensions and attached structures; and
2. installed fixtures and equipment constituting a permanent part of and pertaining to the service of **building or dwelling**.

B. We will cover Other Structures at the described location separated from the building or dwelling by a space. Structures connected by only a fence, utility line or similar connection are considered to be Other Structures. Up to ten percent (10%) of the Amount of Insurance may be applied to Other Structures, but payment for Other Structures is part of, and not in addition, to the Amount of Insurance;

C. We will also cover:

1. **Debris Removal. We will pay up to \$3,000 for the reasonable expenses to remove debris caused by or resulting from a covered loss. Payment is part of, and not in addition to, the Amount of Insurance.**
2. **Lawns, Plants, Shrubs and Trees. We will pay up to five percent (5%) of the Amount of Insurance for loss to lawns, plants, shrubs, or trees on the described location caused by or resulting from an insured peril. We shall not be liable for more than \$250 for any one plant, shrub or tree including expense incurred for removing debris. We do not cover property grown for commercial purposes. Payment is part of, and not in addition to, the Amount of Insurance.**
3. **Fire Department Service Charge. When the fire department is called to save or protect the property from a covered loss, we will pay up to \$ 1,000 for fire department service charges:**
 - a. assumed by contract or agreement prior to loss; or
 - b. required by local ordinance.**Payment is part of, and not in addition to, the Amount of Insurance.**
4. **Fences and Signs. We will pay up to \$1,000 for loss to outdoor fences and attached signs, caused by or resulting from an insured peril. Payment is part of, and not in addition to, the Amount of Insurance.**

IV. SECTIONS OF POLICY

A. Section I - Creditor Placed Insurance.

Coverage for **your mortgagee interest** in a **described location** shall be for the Coverage Period appearing on a **Notice of Insurance**, from the later of:

1. the expiration or cancellation date of **acceptable hazard insurance**;
2. the expiration date of a prior **Notice of Insurance**; or
3. any other effective date as requested by **you**, subject to **Condition C. Retroactive Transactions**.

B. Section II - Real Estate Owned

Coverage for **your** ownership interest in a **described location** shall be for the Coverage Period appearing on a **Notice of Insurance**, from the later of:

1. the date **you** acquire an ownership interest or effective date of the foreclosure process;
2. the expiration date of other insurance or a prior **Notice of Insurance**;
3. any other effective date as requested by **you**, subject to **Condition C. Retroactive Transactions**.

C. Coverage will not be bound and effective until **we** receive a request for coverage on **our** reporting **schedule** and a **Notice of Insurance** has been issued on the **described location**. Coverage may be terminated prior to the Expiration Date appearing on a **Notice of Insurance** when **you** submit a cancellation date on a subsequent reporting **schedule**.

V. LOSS SETTLEMENT

A. Limits of Insurance

The most **we** will pay for loss:

1. under **Section I - Creditor Placed Insurance**, is the lesser of:
 - a. the **Amount of Insurance**;
 - b. the **replacement cost** of the damaged property; or
 - c. **our** Limit of Liability appearing in the LIMIT AND DEDUCTIBLE SCHEDULE attached to and forming a part of this policy.
2. under **Section II - Real Estate Owned**, if at the time of loss the **Amount of Insurance** is greater than or equal to 80% of the full **replacement cost** of the **described location**, is the lesser of:
 - a. the **Amount of Insurance**;
 - b. the **replacement cost** of the damaged property; or
 - c. **our** Limit of Liability appearing in the LIMIT AND DEDUCTIBLE SCHEDULE.
3. under **Section II - Real Estate Owned**, if at the time of loss the **Amount of Insurance** is less than 80% of the full **replacement cost** of the **described location**, is the greater of:
 - a. the **actual cash value** of the damaged property; or
 - b. that proportion of the **replacement cost** of the damaged property, which the **Amount of Insurance** bears to 80% of the full **replacement cost** of the **described location**.

But in no event will **we** pay more than the **Amount of Insurance** or **our** Limit of Liability appearing in the LIMIT AND DEDUCTIBLE SCHEDULE.

Our Limit of Liability appearing in the LIMIT AND DEDUCTIBLE SCHEDULE is the most **we** will pay for loss in a single occurrence to any one **described location**. If two or more structures, separated by at least fifty (50) feet, are covered under the same **Notice of Insurance**, a single **Amount of Insurance** shall be apportioned between the two structures based upon full **replacement cost** of each structure.

In determining the minimum **Amount of Insurance** required to equal 80% of the full **replacement cost** of the **described location**, disregard the value of land, excavations, foundations, piers and other supports which are below the undersurface of the lowest basement floor or, where there is no basement, which are below the surface of the ground inside the foundation walls.

We will pay no more than the **actual cash value** of the damaged property unless actual repair or replacement is completed.

B. Deductible

We will not pay for loss to any **described location** in any one occurrence until the amount of loss exceed the applicable deductible appearing in the LIMIT AND DEDUCTIBLE SCHEDULE. **We** will then deduct this amount from any loss payment made by **us**.

In the event that the **described location** has remained continuously vacant or unoccupied for more than thirty (30) days prior to the date of loss, the **described location** shall be considered vacant for purposes of applying deductibles. If two or more structures are separated by at least fifty (50) feet, the deductible shall apply separately to each structure.

VI. PERILS INSURED AGAINST

A. Dwellings - **We** insure for direct physical loss or damage to a **dwelling** caused by or resulting from all perils except as specifically excluded in **VII. (A.) and (B.) EXCLUSIONS**.

B. Buildings - **We** insure for direct physical loss or damage to a **building** caused by or resulting from:

1. **Fire.**
2. **Lightning.**
3. **Explosion**, including 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. Explosion does not include loss or damage by:
 - a. rupture, bursting or operation of pressure relief devices; or
 - b. rupture or bursting due to the expansion or swelling of the contents of any **building** caused by or resulting from water.
4. **Windstorm or hail**, but not including:
 - a. frost or cold weather; or
 - b. ice (other than hail), snow or sleet, whether driven by wind or not.
 - c. loss or damage to the interior of any **building** caused by rain, snow, sand or dust, whether driven by wind or not, unless the **building** first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
5. **Smoke** causing sudden and accidental loss or damage to the **building**. This peril does not include smoke from agricultural smudging, industrial operations or fireplaces.
6. **Aircraft or vehicles**, meaning physical contact of an aircraft, spacecraft, self-propelled missile or vehicle. This peril includes loss or damage by objects falling from aircraft or thrown by a vehicle. **We** will not pay for loss or damage caused by or resulting from:
 - a. vehicles any **mortgagor** or occupant of the **described location** owns or operates; or
 - b. a vehicle damaging fences, driveways, walks, trees, shrubs or plants.
7. **Riot or civil commotion**, including:
 - a. acts of striking employees of any occupant of the **described location**; and
 - b. looting occurring at the time and place of a riot or civil commotion.
8. **Vandalism**, meaning willful and malicious damage or destruction. **We** will not pay for loss or damage:
 - a. to glass (other than glass building blocks) that is part of a **building** or an outside sign; but **we** will pay for loss or damage to the **building** caused by or resulting from

- breakage of glass by vandals.
 - b. caused by or resulting from theft, except for damage caused to the **building** by the breaking in or exiting of burglars.
- 9. **Sprinkler Leakage**, meaning leakage or discharge of any substance from an automatic sprinkler system causing loss or damage to the **building**, including collapse of a tank that is part of a system. Automatic sprinkler system means any automatic fire protective or extinguishing system, including connected:
 - a. sprinklers and discharge nozzles;
 - b. ducts, pipes, valves and fittings;
 - c. tanks, their component parts and supports; and
 - d. pumps and private fire protection water mains.

When supplied from an automatic fire protective system, this also includes non-automatic fire protective systems, hydrants, standpipes and outlets.
- 10. **Sinkhole Collapse**, meaning sudden sinking or collapse of land into underground empty spaces created by action of water on limestone, dolomite or similar rock formation. This does not include:
 - a. the cost of filling sinkholes; or
 - b. sinking or collapse of land into man-made underground cavities.
- 11. **Volcanic Eruption**, meaning 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; or
 - b. Ash, dust, particulate matter or lavaflow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence. This does not include the cost to remove ash, dust, particulate matter or lava that does not cause direct loss or damage to the **described location**.

VII. EXCLUSIONS

A. Buildings and Dwellings

We will not pay for loss or damage caused directly or indirectly by or to any of the following, 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:
 - a. regulating the construction, use or repair of any property; or
 - b. requiring the tearing down of any property including the cost of removing its debris.
- 2. **Nuclear Hazard** - Nuclear reaction or radiation, or radioactive contamination, however caused, and any resulting fire, explosion or smoke damage.
- 3. **War and Military Action** -
 - a. War, including undeclared or civil war; or
 - b. 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
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- 4. **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 loss would otherwise be covered.
- 5. **Flood and Water Damage**, meaning:
 - a. flood, surface water, waves, tidal water, overflow of a body of water, or their spray, all whether driven by wind or a result of earth movement; or
 - b. mudslide or mudflow;
 - c. water which backs up from a sewer or drain; or

- d. water under the ground surface pressing on, or flowing or seeping through foundations, sidewalk, driveway, swimming pools, basements, doors, windows or other openings.
- But if damage by fire or explosion results, **we** will pay for that resulting damage.
- 6. **Earth movement**, meaning:
 - a. earthquake, land shock, waves or tremors; or
 - b. the sinking, rising, shifting, expanding or contracting of the earth.

But if damage by fire or explosion results, **we** will pay for that resulting damage.
 - 7. **Landslide**, including erosion.
 - 8. **Subsidence**, including man made and the cost of excavation, grading or back filling.
 - 9. **Off-Premises Services** - The failure of power or other utility service to the **described location**, however caused, if the failure occurs away from the **described location**. But if loss or damage from a covered peril results, **we** will pay for that resulting loss or damage.
 - 10. **Collapse** unless directly to a **building or dwelling** and directly caused by: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; or weight of snow, ice or sleet. Collapse does not include settling, cracking, shrinking, bulging, or expansion. There is no coverage for other structures, awnings, fences, antenna, gutters, downspouts, pools, patios, pavement, underground pipes, flues, drains, septic tanks, foundations, retaining walls, bulkheads, piers or docks.
 - 11. **Neglect** meaning failure to use all reasonable means to save and preserve the property at and after loss, or when the property is endangered by a peril insured against.
 - 12. **Design Defect**, meaning faulty, inadequate, weak, unsound, or defective:
 - a. planning, zoning, development, surveying or siting; or
 - b. design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction; or
 - c. materials used in repair, construction, renovation, or remodeling; or
 - d. maintenance of any property including but not limited to land, structures, or improvements of any kind, on or off the **described location**.

But only if the design defect is one of two or more causes of loss or damage, and if the other causes of the loss or damage are excluded by this policy.
 - 13. **Mechanical or Electrical Breakdown** meaning:
 - a. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - b. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the **mortgagor**, or operated under the **mortgagor's** control; or
 - c. mechanical breakdown, including rupture or bursting caused by centrifugal force.

But if damage by fire or explosion results, **we** will pay for that resulting damage.
 - 14. **Excluded Other Structures** meaning:
 - a. bridges, roadways, walks, patios or other paved surfaces;
 - b. foundations, if such foundations are below the lowest basement floor or the surface of the ground, if there is no basement;
 - c. land (including land on which the property is located), water, crops or lawns;
 - d. piers, wharves or docks;
 - e. retaining walls that are not part of the structure;
 - f. underground pipes, flues or drains;
 - g. vehicles or self-propelled machines (including aircraft or watercraft);
 - h. antennas, including lead-in wiring, masts or towers, swimming pools, fences or signs (other than fences and signs as provided in **III. COVERAGE C.(4.)**).
 - i. contents and other personal property.

15. **Unusual occupancies**, meaning the use for following purposes:
 - a. institutional occupancies (e.g. schools, jails, hospitals and retirement homes)
 - b. government buildings;
 - c. churches;
 - d. railroad and aviation operations;
 - e. flour and grain mills and farming operations;
 - f. explosives, fireworks or fuse manufacturing, distribution or sales;
 - g. chemical works, oil and gas operations and public utilities;
 - h. lumber mills, logging and mining operations;
 - i. piers, docks and marinas;
 - j. builders risks; and
 - k. mobile homes.
16. Second and subordinate **mortgage agreements**.
17. Home equity loans and lines of credit.

B. Dwelling Only

The following additional exclusions apply only to **dwellings**:

1. **Freezing** of a plumbing, heating or air conditioning system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing, while the **dwelling** is vacant, unoccupied or being constructed unless reasonable care has been used to:
 - a. maintain heat in the **dwelling**; or
 - b. shut off the water supply and drain the system and appliances of water.
2. **Freezing**, thawing, pressure or weight of water or ice, whether driven by wind or not, to a fence, pavement, patio, swimming pool, foundation, retaining wall, bulkhead, pier or dock.
3. **Theft** of property, but not to exclude looting during a riot or civil commotion or damage to the property caused by the breaking in or exiting of burglars.
4. **Wind, hail**, ice, snow or sleet to lawns, trees, shrubs or plants.
5. **Breakage of Glass** and safety glazing materials except if loss is caused by fire, lightning, windstorm, hail, explosion, riot or civil commotion, aircraft, vehicles or smoke.
6. Continuous or repeated seepage, leakage of water or steam over a period of time from within a plumbing, heating or air conditioning system or from within a household appliance. If an existing condition causes water to escape from a plumbing, heating or air conditioning system or household appliance, **we** only cover loss caused by water. **We** also cover the cost of replacing any part of a **dwelling** necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from which this water escaped.
7. Wear and tear, marring, deteriorating, inherent vice, latent defect, rust, mold, wet or dry rot, contamination, smog, smoke from agricultural smudging or industrial operations, birds, vermin, rodents, insects or domestic animals, settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundations, walls, floors, roof or ceilings.
8. Structures used in whole or in part for commercial, manufacturing or farming purposes.

VIII. CONDITIONS

- A. **Policy Period & Territory** – **We** cover loss occurring during the Coverage Period of a **Notice of Insurance** provided the **Notice of Insurance** has an effective date within the **Policy Period**. This policy only applies to property located in the United States of America.

B. Premium, Reporting and Billings - Premium shall be computed in accordance with **our** rates as specified in Item 3. of the policy DECLARATIONS or as amended. No later than ten (10) days after the close of each reporting period as specified in Item 6. of the policy Declarations, **you** shall report to **us**, on **our** reporting **schedule**, the following information for each **described location** accompanied by the payment of premium due:

1. **Mortgagor** Name and Mailing Address;
2. Property Address;
3. Coverage Type;
4. Coverage Period;
5. **Mortgage Agreement** Number; and
6. **Amount of Insurance**.

Reporting on **our** reporting **schedule** shall be in a media format as mutually agreed and established at policy inception.

C. Retroactive Transactions - Properties may be added to the reporting **schedule** with **Notice of Insurance** Effective Dates prior to the date of delivery of the reporting **schedule** to **us**, provided that **you** report such properties to **us** as soon as **you** have knowledge that the property is uninsured. The Effective Date of the **Notice of Insurance** shall not be earlier than:

1. the expiration or cancellation date of **acceptable hazard insurance**;
2. the date **you** acquire an ownership, servicing or **mortgagee interest** in the property;
3. thirty (30) days prior to the date of delivery of the reporting **schedule** to **us**; or
4. the Effective Date shown in Item 2. of the policy Declarations.

Coverage for individual properties under **Section I - Creditor Placed Insurance** may be cancelled retroactively due to duplicate or simultaneous coverage, subject to **your** providing evidence of **acceptable hazard insurance** to **us**.

D. Your Duties After Loss - When a loss occurs, **you** shall :

1. Promptly notify **us** of the loss, including a description of the property, **your** interest and evidence of coverage under this policy;
2. Provide details as to how, when and where the loss occurred;
3. Provide **us** a copy of the police report if loss is caused by theft or a law has been broken;
4. Cooperate with **us** in the investigation, settlement or the conduct of any suit. **You** will not effect a settlement with others for loss. **You** shall permit **us** to question **your** employee and **mortgagor** under oath at such times as may be reasonably required about any matter relating to **your** claim.
5. Permit **us** to inspect and appraise the damaged property as soon as possible after **loss** and before its repair or disposition.
6. Take reasonable steps after loss to protect the property from further damage, including make reasonable and necessary repairs;
7. **You** will not, except at **your** own expense, voluntarily make any payment, assume any obligations or incur any expense without **our** written approval;
8. Within fifteen (15) days of initial notification of loss, submit a signed proof of loss with necessary documents, setting forth to the best of **your** knowledge and belief:
 - a. the time and cause of loss;
 - b. the interest of **you** and others in the damaged property including known encumbrances;
 - c. other insurance which may cover the loss;
 - d. changes in title or occupancy of the **described location**; and
 - e. specifications of any damage to the property and detailed repair estimates. Include an

inventory of damages showing in detail, the quantity, description and amount of loss. Attach to the inventory, all bills, receipts and a record of **your** expenses, for consideration in the settlement of the claim.

The **mortgagor**, at **your** direction and as **your** representative, may submit claims on **your** behalf and perform any of **your** duties. However, **we** reserve the right to require **your** assumption of any and all **your** duties, for any reason.

- E. **Loss Payment** - **We** will adjust all losses with **you** and unless directed otherwise, will make payment to **you**. Payment for loss will be made within thirty (30) days after **we** reach agreement with **you**, the entry of a final judgment, or the filing of an appraisal award with **us**. Payment of loss shall not reduce the **Amount of Insurance** available for any subsequent and unrelated loss.
- F. **Appraisal** - If **you** and **we** fail to agree on the amount of loss, either party may request in writing an independent appraisal which shall be voluntary and non-binding. Each party will choose a competent appraiser within twenty (20) days after agreeing to the appraisal. Each appraiser will appraise the property and both appraisers will jointly set the **actual cash value** and 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 on the amount of loss, the two appraisers will choose an umpire and submit their differences to the umpire. If they cannot agree upon an umpire within ten (10) days, **you** or **we** may request that the choice be made by a judge of any court having jurisdiction. A decision agreed to by any two will set the amount of loss. Each party will pay its own appraiser; and bear the other expenses of the appraisal and umpire equally. Neither **your** agreement to an appraisal nor an appraisal decision shall restrict **your** right to bring legal action against **us** at any point during or after the proceedings. **We** shall not be held to have waived any of **our** rights by any action relating to appraisal.
- G. **Salvage** - When property is recovered or salvaged after a loss payment, **your** right of recovery and right to dispose of salvage is assigned to **us** to the extent of **our** loss payment. However, there shall be no abandonment of property to **us**.
- H. **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 **us**. If an assignment is sought, **you** shall sign and deliver all related papers and cooperate with **us** in any reasonable manner.
- I. **Insurance Under Two or More Coverages** - If more than one coverage under the policy applies to the same loss or damage, **we** will not pay more than the actual amount of the loss subject to the largest applicable **Amount of Insurance**. There shall be no redundancy or stacking of coverage.
- J. **Insurable Interest** - If more than one party has an insurable interest in the property, **we** shall not be liable for more than **your** interest in the property unless the other party is an Additional Insured.
- K. **Waivers** - At **your** request, **we** will not provide coverage for any **described location you** specify. **You** and **we** may mutually agree to automatically waive coverage for **mortgagee interests** below a specified minimum threshold. **Your** nonpayment of premium for a specific **Notice of Insurance** shall be evidence that **you** have waived coverage for that **described location**.
- L. **Other Insurance** - If the property is covered by the **debtor's acceptable hazard insurance**, this insurance shall not apply and shall not contribute to the payment of any loss. If the property is

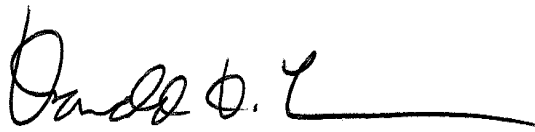
covered by another insurance other than the **debtor's acceptable hazard insurance**, **our** coverage shall be excess of the amount due from that other insurance. In the event that **your** ownership or **mortgagee interest** in the property or the **replacement cost** of the property is greater than **our** Limit of Liability, any purchase by **you** of specific excess insurance from another insurer shall not be considered other insurance.

- M. Legal Action Against Us** - **You** may not require payment of loss or bring legal action against **us** unless there has been full compliance with all policy provisions and thirty (30) days have passed since **you** complied with all duties listed under **Condition D. Your Duties After Loss**.
- N. Examination of Your Books and Records** - **We** may examine **your** books and records as they relate to this policy at any time during the **Policy Period** and afterward until all premium and loss obligations have been settled. By **our** right to examine or by making any examination, **we** make no representations that **your** books or records are accurate or in compliance with any law, rule or regulation.
- O. Inspection** - **We** may inspect any **described location** at any reasonable time during the **Policy Period**. Neither **our** inspection, nor **our** failure to make an inspection, shall constitute an undertaking on behalf of, or for the benefit of **you**, the **mortgagor**, or others to determine or warrant that the **described location**, its structure or construction materials are safe, healthful, habitable or in compliance with any law, ordinance or regulation.
- P. Concealment, Misrepresentation or Fraud** - **We** do not provide coverage for anyone who has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.
- Q. Waiver or Change of Policy Provisions** – The terms of this policy may not be changed or waived except by endorsement issued by **us**. If **we** revise the policy to broaden coverage without additional premium, the broadened coverage will apply as of the effective date of the revision.
- R. Assignment** - Assignment of this policy or a **Notice of Insurance** shall not be valid without **our** prior written consent.
- S. Cancellation / Non-Renewal**
1. **You** may cancel this policy or any individual property specified on a **Notice of Insurance** by returning it to **us** or by notifying **us** of the future date cancellation is to take effect. **You** may non-renew this policy by returning it to **us** or by notifying **us** of **your** intent to non-renew.
 2. **We** may **cancel** this policy by mailing or delivering to **you**, at **your** last address known to **us**, ten (10) days advance written notice of cancellation for non-payment of premium and thirty (30) days advance written notice for all other reasons. Proof of mailing of any notice will be sufficient proof of notice. The effective date of **cancellation** stated in the notice shall become the end of the **Policy Period**.
 3. **We** may non-renew this policy by mailing or delivering to **you**, at **your** last address known to **us**, thirty (30) days written notice prior to the policy expiration date. Proof of mailing of any notice will be sufficient proof of notice.
 4. **We** shall refund any return premium upon the later of the date of cancellation or the date

you request cancellation. Return premium shall be calculated on a pro-rata basis.

5. When **we** or **you** cancel this policy, no additional properties may be reported after the date of cancellation. As this policy allows for additional properties to attach during the **Policy Period** by reporting those properties to **us**, **we** may at any time decline to accept such additional properties under the Policy and the same shall not be considered to be a cancellation of the policy and shall not be subject to statutory provisions that apply to cancellation of the policy. In the event of nonpayment of premium for an individual property or nonpayment of a periodic installment premium, **we** may, at **our** option, deny coverage for an individual property for such reporting period and the same shall not be constitute cancellation of the policy.
 6. **We** may cancel an individual property specified on a **Notice of Insurance** by mailing or delivering to **you**, at **your** last address known to **us**, the same number of days advance written notice of cancellation as referenced in Paragraph 2. above. Upon cancellation of the policy, individual properties specified on **Notices of Insurance** shall remain in effect until expiration or until separately cancelled, whichever is earlier. Cancellation of an individual property specified on a **Notice of Insurance** shall not constitute cancellation of the policy.
- T. Bankruptcy** – Bankruptcy or insolvency of **you** or any **mortgagor** shall not relieve **us** of any obligation under this policy.
- U. Conformity to Statute** - Any provision of this policy that is in conflict with the statutes of any state having jurisdiction is hereby amended to conform to such statutes.

In witness whereof, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned, if required, by our authorized representative.



Donald Larson
President, Specialty Group



Eve Cutler Rosen
Secretary

POLICY NO: 1231080

FORMS SCHEDULE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Effective November 1, 2016, the following schedules and endorsements are attached to and form a part of the policy:

<u>Endorsement</u>	<u>Description</u>	<u>Premium/Rating Basis</u>
ACE-8701 (08/99)	Mortgage Protection Insurance Policy Form	Per Policy Declarations
ACE-8001 (08/99)	Forms Schedule	No Additional Premium
ACE-8002 (08/99)	Limit and Deductible Schedule	No Additional Premium
ACE-8003 (08/99)	Broad Form – Buildings	Included in the Premium Rate
ACE-8004 (08/99)	Automatic Coverage	Included in the Premium Rate
ACE-8005 (08/99)	Demolition and Foreclosure Expense	Included in the Premium Rate
ACE-8008 (08/99)	Second Mortgage Coverage	Included in the Premium Rate
ACE-8022 (08/99)	Mobile Homes	Included in the Premium Rate
ACE-8027 (08/99)	Theft of Property	Included in the Premium Rate
ACE-8041 (08/99)	Pollutant Extract and Removal	Included in the Premium Rate
ACE-8042 (08/99)	Condominium and Cooperative Apartments	Included in the Premium Rate
ACE-8049 (08/99)	Freezing, Discharge or Leakage	Included in the Premium Rate
ACE-8136 (08/99)	Delaware Amendatory	No Additional Premium
IL 09 53 (Ed.01 15)	Exclusion of Certified Acts of Terrorism	No Additional Premium
IL 72 10 (Ed.01 15)	Disclosure Pursuant to Terrorism Risk Insurance Act	No Additional Premium
IL 72 36 (Ed. 07 05)	Nuclear, Biological or Chemical Exclusion	No Additional Premium
IL 73 24 (Ed. 08 12)	Economic and Trade Sanctions Clause	No Additional Premium
SDM-526 (10/13)	Privacy Notice and Notice of Insurance Information Practices	No Additional Premium

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

POLICY NO: 1231080

LIMIT AND DEDUCTIBLE SCHEDULE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following Limit of Liability and deductibles apply to each and every loss for each **described location**:

LIMIT OF LIABILITY:

Our Limit of Liability shall be: \$ 2,000,000 for a **dwelling**; and \$ 2,000,000 for a **building**.

DEDUCTIBLES:

1. **Perils other than Vandalism and Windstorm & Hail:** The deductible for perils other than Vandalism and Windstorm & Hail is :
 - a. **dwelling:** \$ 500 .
 - b. **occupied building:** \$ 500 .
 - c. **vacant/unoccupied building:** \$ 500 .
2. **Vandalism:** The deductible for Vandalism if the **described location** is:
 - a. an occupied **dwelling**, shall be the greater of \$ 500 or N/A % of the **Amount of Insurance**.
 - b. a vacant/unoccupied **dwelling**, shall be the greater of \$ 500 or N/A % of the **Amount of Insurance**.
 - c. an occupied **building**, shall be the greater of \$ 500 or N/A % of the **Amount of Insurance**.
 - d. a vacant/unoccupied **building**, shall be the greater of \$ 500 or N/A % of the **Amount of Insurance**.
3. **Windstorm & Hail:** The deductible for Windstorm & Hail, if the **described location** is:
 - a. an occupied **dwelling**, shall be the greater of \$ 500 or 2 % of the **Amount of Insurance**.
 - b. a vacant/unoccupied **dwelling**, shall be the greater of \$ 500 or 2 % of the **Amount of Insurance**.
 - c. an occupied **building**, shall be the greater of \$ 500 or 2 % of the **Amount of Insurance**.
 - d. a vacant/unoccupied **building**, shall be the greater of \$ 500 or 2 % of the **Amount of Insurance**.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

BROAD FORM - BUILDINGS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Section B of VI. PERILS INSURED AGAINST is hereby revised by the addition of the following:

B. Buildings - We insure for direct physical loss or damage to a **building** caused by or resulting from:

12. **Breakage of Glass** that is part of a **building**, not including neon tubes attached to the **building**. **We** will not pay more than:
 - a. \$100 for each plate, pane, shutter or radiant or solar heating panel; or
 - b. \$500 in any one occurrence.
13. **Falling objects**. But **we** do not pay for loss or damage to the interior of the **building** or structure, or property inside a **building** or structure, unless the roof or an outside wall of the **building** is first damaged by a falling object.
14. **Weight of Snow, Ice or Sleet**. But **we** do not pay for loss or damage to gutters and downspouts.
15. **Water damage** to the **building**, but only for loss or damage caused by 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, other than an automatic sprinkler system. **We** will also pay the cost to tear out and replace any part of the **building** to repair damage to the system or appliance from which the water or steam escapes. **We** will not pay:
 - a. the cost to repair any defect that caused the loss or damage; or
 - b. for loss or damage caused by or resulting from continuous or repeated seepage or leakage that occurs over a period of fourteen (14) days or more; or
 - c. for loss or damage caused by or resulting from freezing, unless:
 - (1) reasonable care is used to maintain heat in the **building** or other structure; or
 - (2) the equipment is drained and the water supply shut off if the heat is not maintained.
16. **Collapse** of the **building** if directly caused by: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; or weight of snow, ice or sleet. Collapse does not include settling, cracking, shrinking, bulging, or expansion. There is no coverage for other structures, awnings, fences, antenna, gutters, downspouts, pools, patios, pavement, underground pipes, flues, drains, septic tanks, foundations, retaining walls, bulkheads, piers, wharfs.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

AUTOMATIC COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

We will pay for loss or damage **you** sustain to an eligible **dwelling** or **building** when, in the absence of **acceptable hazard insurance** by the **mortgagor**, a **Notice of Insurance** is not issued due to inadvertent error or omission, subject to the following:

In the event of a loss occurring and reported to **us** during the **Policy Period**, **we** will issue a **Notice of Insurance** with an Effective Date concurrent with the latest of:

1. the origination date of the **mortgage agreement**;
2. the expiration or cancellation date of **acceptable hazard insurance**; or
3. the issuance date of this endorsement.

Premium for such **Notice of Insurance** is due and payable prior to payment of loss.

We will not pay for loss under this endorsement:

1. arising from any **mortgage agreement** without **acceptable hazard insurance** on which **you** declined to place coverage per **Condition K - Waivers**; or
2. arising from any **mortgage agreement** upon which **you** are not reporting or allowing **us** to monitor **acceptable hazard insurance** and issue **Notices of Insurance** as necessary; or
3. arising from any **mortgage agreement** upon which **you** have previously cancelled, refused to renew, or pay for a **Notice of Insurance** for any reason other than receipt of evidence of **acceptable hazard insurance** by the **mortgagor**; or
4. arising from any **mortgage agreement** in which the **outstanding balance** is greater than our Limit of Liability; or
5. occurring prior to the issuance date of this endorsement; or
6. reported to **us** after the cancellation or expiration date of the policy; or
7. arising from **earth movement**, **flood**, mortgagor's liability, contents or any other coverage added to this policy by endorsement.

Coverage shall only apply if **we** have issued a **Notice of Insurance**. **We** will only issue a **Notice of Insurance** if **you** have followed **our** standard procedures for monitoring properties without **acceptable hazard insurance** and requesting issuance of **Notices of Insurance** on such properties. As soon as **you** become aware of a property without **acceptable hazard insurance**, it must be immediately reported to **us**. **We** maintain the right to audit **your** operations and procedures at any time for compliance with our requirements.

This endorsement may be cancelled by **you** or **us** at any time with ten (10) days written notice without affecting any other coverage under the policy. In no event shall a **Notice of Insurance** be issued after:

1. the cancellation date of this endorsement; or
2. the cancellation or expiration date of the Policy.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

DEMOLITION AND FORECLOSURE EXPENSE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In the event of a total loss to a **building** or **dwelling** as a result of a peril insured against, **we** will pay **your** expense incurred in demolition and foreclosure. The most we will pay is the lesser of \$5,000 or ten (10%) percent of the **Amount of Insurance**. Payment shall be in addition to the **Amount of Insurance**.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SECOND MORTGAGE COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Exclusion A.(16.) "Second and subordinate **mortgage agreements**" is deleted.

Exclusion A.(17.) "Home equity loans and lines of credit" is deleted.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

POLICY NUMBER: 1231080

MOBILE HOMES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Exclusion A.(15.)(k.) is deleted.

Definition C. Dwelling revised to include **mobile home**.

Article II. Definitions is revised by the addition of:

Mobile home shall mean any factory built, movable frame and/or metal **dwelling** which is not secured to a permanent foundation but is maintained on the **described location** on a raised platform or foundation, and is connected to utilities. **Mobile home** may be anchored or unanchored and shall include attached additions and extensions, fixtures, and equipment constituting a permanent part of and pertaining to the service of the location. **Mobile home** shall not include any structure which is not :

1. resting on a raised platform or temporary foundation on the **described location**;
2. connected to supporting electrical, gas, water, sewer or other utilities.

For the purpose of this endorsement only, **V. Loss Settlement A(1.) and (2.)** is revised by the addition of:

- d. Actual Cash Value

Coverage is limited to a **mobile home** in which **you** have a **mortgagee interest** in the **described location** including land.

Mobile home shall be subject to the greater of \$ 500 or the applicable deductible for **dwellings** appearing in the LIMIT AND DEDUCTIBLE SCHEDULE.

Our Limit of Liability for a **mobile home** is the lesser of \$ 2,000,000 or **our** Limit of Liability for **dwellings** appearing in the LIMIT AND DEDUCTIBLE SCHEDULE.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THEFT OF PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Section B of VI. PERILS INSURED AGAINST is revised by the addition of the following peril:

Theft from a **building**, but not to include theft from a **building** under construction or of any materials and supplies for use in the construction of a **building**.

Exclusion B(3.) of VII. EXCLUSIONS is deleted and replaced by:

3. **Theft** from a **dwelling** under construction or any materials and supplies for use in the construction of a **dwelling**.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

POLLUTANT EXTRACTION AND REMOVAL

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

We will pay up to the lesser of \$10,000 or ten percent (10%) of the Amount of Insurance of **your** expense to extract and remove **pollutants** from land or water at any one **described location** if the release, discharge or dispersal of the **pollutants** is a direct result of loss or damage to the **building** or **dwelling** by an insured peril. This extension of coverage is in addition to the **Amount of Insurance**.

We will only pay if :

1. **we** have paid a claim for loss or damage to covered property;
2. a **Notice of Insurance** was issued for the **described location**.
3. the release, discharge or dispersal of the pollutants occurred within 168 hours of the loss or damage to the covered property; and
4. you report the release, discharge or dispersal to **us** within 90 days of the date of direct physical loss or damage.

Pollutants means any solid, liquid, or gaseous matter including smoke, vapors, soot, fumes, acids, alkalis, chemicals, toxic matter or waste material (including materials to be recycled, reconditioned, or reclaimed), or oil or other petroleum substances or derivatives (including any oil refuse or oil mixed with waste).

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

CONDOMINIUM AND COOPERATIVE APARTMENTS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

For purposes of this endorsement only:

Definition C. Dwelling is revised by the addition of **condominium**. **Condominium** means a method of property ownership where there is a common ownership of certain portions of the premises and distinct ownership of individual condominium or cooperative apartment units ("**units**").

A declaration or master deed must exist which sets forth the exact provisions of ownership and establishes either an association or ownership corporation.

Section A of **III. COVERAGE** is replaced by:

A. We cover **your unit and:**

1. permanent alterations, fixtures and improvements contained within **your unit**;
2. property which is part of **your unit** and which is **your** responsibility to maintain insurance under a corporate declaration or an association of property owners agreement;
3. structures at the **described location** other than the **condominium**, provided **you** have a **mortgagee interest** in such structure and it is not used for commercial purposes.

Section C of **III. COVERAGE** is revised by the addition of:

Loss Assessments - We will pay up to \$5,000 for **your** share of any assessment charged to all **unit** owners by the corporation or association of property owners when such assessment is made due to loss or damage by an insured peril to property owned by all **unit** owners collectively. But **we** will not pay more than \$1,000 per **unit** for an assessment that results from a deductible in the insurance purchased by the corporation or association of property owners.

Condition L. OTHER INSURANCE is replaced by:

L. Other Insurance - This policy is excess over all other insurance covering the **condominium**, including any insurance purchased by or in the name of the association of property owners. If a loss covered by this policy is also covered by other insurance, **our** liability is limited to the amount of covered loss or damage in excess of the amount due from that other insurance, whether **you** can collect it or not. If there is no other insurance covering the **condominium** in which each **unit** owner has an undivided interest, including any insurance purchased by or in the name of the association of property owners, **our** liability shall be limited to the proportion that the value of **your unit** bears to the total value of the **condominium**.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

FREEZING, DISCHARGE OR LEAKAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Section B of VI. PERILS INSURED AGAINST is revised by the addition of the following peril:

Freezing of a plumbing, heating or air conditioning system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. However, this shall not apply to a **building** which **you own** or is under **your** care, custody or control and reasonable care has not been used to:

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

Exclusion B(1.) of VII. EXCLUSIONS is deleted and replaced by:

- 1. **Freezing** of a plumbing, heating or air conditioning system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing, to a **dwelling** which **you own** or is in **your** care, custody or control and reasonable care has not been used to:
 - a. maintain heat in the **dwelling**; or
 - b. shut off the water supply and drain the system and appliances of water.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

DELAWARE AMENDATORY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Section 2 of **Condition S. Cancellation / Non-Renewal** is deleted and replaced with the following:

2. **We** may cancel by mailing to **you**, at the address shown in the policy, notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. The cancellation date shown in the notice shall become the end of the **Policy Period**. If at any time the policy is cancelled for non-payment of premium, only ten (10) days notice is required. Notice will include the reason(s) for cancellation, and advise **you** to contact the Delaware Insurance Department if **you** wish to file a complaint. A Post Office Certificate of Mailing or proof of mailing by first class mail will be sufficient proof of notice. If this policy has been in effect for sixty (60) days or more, **we** may only cancel only for one or more of the following reasons:

- a. non-payment of premium;
- b. material misrepresentation or nondisclosure of a material fact;
- c. increased hazard or material change in the risk not contemplated by **us** or **you**;
- d. material breach of policy conditions;
- e. fraudulent acts;
- f. lack of cooperation in loss control;
- g. loss of reinsurance;
- h. material increase in exposure arising out of changes in statutory or case law;
- i. bonafide loss of insurance capacity; or
- j. other reasons approved by the commissioner.

We may cancel coverage for an individual **dwelling** or **building** specified on a **Notice of Insurance** by giving **you** ten (10) days advance written notice of the date cancellation is to take effect for non-payment of premium or sixty (60) days advance written notice for any other reason.

Section 3 of **Condition S. Cancellation / Non-Renewal** is deleted and replaced with the following:

3. This policy may be non-renewed by **us** by mailing to **you**, at the address shown in the Policy, notice of **our** intent not to renew at least sixty (60) days prior to the policy Expiration Date. Notice will include the reason(s) for non-renewal, and advise **you** to contact the Delaware Insurance Department if **you** wish to file a complaint. A Post Office Certificate of Mailing or proof of mailing by first class mail will be sufficient proof. **We** may non-renew only for one or more of the reasons outlined in Section 2a. through 2j. above.

- a. non-payment of premium;
- b. material misrepresentation or nondisclosure of a material fact;
- c. increased hazard or material change in the risk not contemplated by **us** or **you**;
- d. material breach of policy conditions;
- e. fraudulent acts;
- f. lack of cooperation in loss control;
- g. loss of reinsurance;
- h. material increase in exposure arising out of changes in statutory or case law;
- i. bonafide loss of insurance capacity; or
- j. other reasons approved by the commissioner.

If **we** offer to renew, this policy may be non-renewed by **you** by mailing notice to **us** of **your** intent not to renew prior to any the policy Expiration Date. Failure by **you** to provide the renewal information and the renewal premium requested by **us** prior to the policy Expiration Date shall be considered notice of intent by **you** not to renew.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **C**) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such 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.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year 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.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a 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.

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

A. Rejection of Offer

You have rejected the offer of terrorism coverage for Acts of Terrorism that are certified under the Terrorism Risk Insurance Act as an Act of Terrorism. An exclusion of terrorism losses has been made a part of this Policy.

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 a percentage (as shown in paragraph **C.** below) 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 calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. **You have rejected this offer of coverage.**

C. Federal Share of Losses Under the Terrorism Risk Insurance Act

85% Year: 2015
84% Year: 2016
83% Year: 2017
82% Year: 2018
81% Year: 2019
80% Year: 2020

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL OR CHEMICAL EXCLUSION

This endorsement modifies insurance provided under the following:

AGRIPAK FARM AND RANCH POLICY
AgriPro® AGRIBUSINESS® PROTECTION POLICY
BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL INLAND MARINE POLICY
COMMERCIAL PROPERTY COVERAGE PART
EQUINE CARE, CUSTODY AND CONTROL COVERAGE FORM
EQUINE CARE, CUSTODY OR CONTROL POLICY
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
SAFEPAK® POLICY
SELECT BUSINESS POLICY
SELECT BUSINESS POLICY COVERAGE FORM

The following exclusion is added:

A. Nuclear, Biological or Chemical Exclusion

Notwithstanding any other provision of this policy, we will not pay for any loss or damage caused, directly or indirectly, in whole or in part, by any of the following, regardless of any other cause(s) or event(s) that may contribute concurrently or in any other sequence to the loss or damage:

1. Any actual, attempted, suspected, or threatened use of any "NBC material" as part of any plan, effort, or design, actually or apparently intended to cause any:
 - a. loss or damage to any tangible or intangible property, or
 - b. "bodily injury" or emotional distress.
2. Any actual, attempted, suspected, or threatened presence, spread, dissemination, release, escape, or distribution of any "NBC material" as a direct or indirect result

of any actual, attempted, suspected, or threatened plan, effort, or design, actually or apparently intended to cause any:

- a. loss or damage to any tangible or intangible property, or
- b. "bodily injury" or emotional distress.

However, if a hostile fire results, directly or indirectly, from 1. or 2. above, we will not pay for any loss or damage from that fire, unless an applicable statute of the state whose law applies to this insurance requires us to do so. This is so, even if another exclusion in this Coverage Form, Coverage Part, or Policy also applies, and under that other exclusion we would pay for loss or damage from that fire.

However, if an applicable statute of the state whose law applies to this insurance requires us to pay for loss or damage from that fire, then we will do so, but only

- (a) to the extent necessary to satisfy the minimum mandatory requirements of that statute and

- (b) subject to all applicable policy provisions including the Limit of Insurance on the affected property.

Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Coverage Forms or Endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

B. Definitions

The following definitions are added:

1. "NBC material"

"NBC material" means any nuclear, biological, or chemical material or substance that causes damage to property or is harmful to human health. "NBC material" includes, but is not limited to:

- (1) any radioactive substance or material, and the radiation it releases,
- (2) any pathogen, bacterium, microbe, virus, or other organism,
- (3) any substance or material produced by or from any pathogen, bacterium, microbe, virus, or other organism, and
- (4) any poison, toxin, or other harmful chemical, substance, or material.
- (5) the foregoing list (1) through (4) is only illustrative, and should not be construed as a complete, exclusive, or exhaustive list of all "NBC materials."

2. "Bodily injury"

"Bodily injury" includes any physical injury, disease, or death of any person.



Administrative Offices
301 E 4th Street
Cincinnati, Ohio 45202-4201
Tel: 1-513-369-5000

IL 73 24 (Ed. 08 12)

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

ECONOMIC AND TRADE SANCTIONS CLAUSE

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

IL 73 24 (Ed. 08/12)



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301 E 4th Street
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513 369 5000 ph

**GREAT AMERICAN INSURANCE GROUP®
PRIVACY NOTICE
AND
NOTICE OF INSURANCE INFORMATION PRACTICES**

Great American Insurance Company
Great American Alliance Insurance Company
Great American Assurance Company
Great American Casualty Insurance Company
Great American Contemporary Insurance Company
Great American E & S Insurance Company
Great American Fidelity Insurance Company
Great American Insurance Company of New York
Great American Lloyd's Insurance Company
Great American Protection Insurance Company
Great American Security Insurance Company
Great American Spirit Insurance Company

American Empire Surplus Lines Insurance Company
American Empire Insurance Company
American Empire Underwriters, Inc.

Crop Managers Insurance Agency, Inc.
Dempsey & Siders Agency, Inc.
Eden Park Insurance Brokers, Inc.
Farmers Crop Insurance Alliance, Inc.
GAI Warranty Company
GAI Warranty Company of Florida
Great American Insurance Agency, Inc.
Great American Lloyd's, Inc.
Great American Professional Risk Insurance Services
High Seas Insurance Agencies
Premier Lease & Loan Services Insurance Agency, Inc.
Premier Lease & Loan Services of Canada, Inc.
Strategic Comp, L.L.C.
Strategic Comp Services, L.L.C.

The members of Great American Insurance Group ("Great American," including those companies listed in this Notice) respect your right to privacy.

We want you to know about our procedures for protecting your privacy and your rights and responsibilities regarding nonpublic personal information (referred to as "data" in this notice) we receive about you. We want you to understand how we gather data about you and how we protect it. The terms of this Notice apply to those individuals who inquire about or obtain insurance from Great American primarily for personal, family or household purposes.

We will provide our customers with a copy of the most recent notice of our privacy policy at least annually and more often if we make any changes affecting their rights under our privacy policy. This Notice applies to current and former customers of Great American.

Great American does not share your data except as allowed by law. As a result, you do not need to take any action under this Notice. If we change our practices in the future, we will advise you. If applicable, we will allow you to "opt-out" of certain sharing.

1. What kind of data is collected about you?

We get most of our data about you directly from you, such as your name, address, social security number, income level and certain other financial data. We collect data that you provide during the insurance application process and by other contact with you by mail and over the phone.

In some cases we may need additional data or may need to verify data you have given us. In those cases, we may obtain data from outside sources at our own expense. For instance, we may collect data from consumer reporting agencies such as credit worthiness and history or employment history. If you send a written request to the address below, we will inform you of the name and address of any agency we have used to prepare a report on you so that you can contact the agency.

Once you become our customer, we may collect data related to our experiences and transactions with you. This could include data such as insurance policy coverage, premiums and payment history, and any claims you make under your insurance policy. For example, we will retain data collected by a claims representative and police or fire reports.

We may also collect data about you from our affiliates regarding their transactions and experiences with you (such as your payment or claims history). We do not currently share other credit-related data, except as allowed or required by law.

Finally, we may collect data when you visit our website or when you email us. We do not sell this or any other data about you to anyone.

2. What do we do with data about you?

Data about you will be kept in our records. We may disclose data to issue and service policies and settle claims. Generally, we will not disclose data about you to any outside group without your prior authorization. However, we may, as allowed by law, share data that we collect as set forth below.

We may disclose data to your insurance agent.

We may disclose data to persons who represent you, including your attorney or trustee.

We may disclose data to adjusters, appraisers, auditors, investigators and attorneys.

We may disclose data to those who need the data to perform a business, professional or insurance function for us.

We may disclose data to other insurance companies, agents or consumer reporting agencies, in

connection with any insurance application, policy or claim involving you.

We may disclose data to medical providers to inform you of a medical condition of which you may not be aware and for claims payment purposes.

We may disclose data to others that conduct research, provided that no individual data may be identified in any research study report.

We may disclose data, other than health data, to others that perform marketing services on our behalf.

We may disclose data to our affiliated companies to market products to you and for other purposes. The law does not allow you to restrict this sharing.

We may disclose data to a court, state insurance department or other government agency pursuant to a summons, court order, search warrant, subpoena, or as otherwise required by law or regulation.

We will only disclose your health data in the following ways:

as allowed or required by law;

with your written consent;

to underwrite or administer your policy, claim or account; or

in a manner as previously disclosed to you by us when we collect your health data.

When we disclose your data to third parties for certain purposes described above, we will require them to use your data only for its intended purpose.

3. Who has access to your data?

The only people who have access to your data are those who need it to provide or support the provision of products or services to you. We use a system of passwords and other appropriate physical, electronic and procedural safeguards to protect against unauthorized access to your data. We have educated our employees about this Notice and the importance of customer privacy.

4. How can you review recorded data about you?

You have the right to access and inspect most of the data that we collect about you. To access your data please send a written request to the address below stating that you would like to access your data. Either you or your personal representative must sign this request and provide a copy of your driver's license or other valid photo identification. You also have the right to request that we correct any data that you believe is incorrect. To amend your data, please send us a written request, at the address below, stating what data you believe needs correcting. Once again, either you or your personal representative must sign this request. If you submit a request to amend your data, we will investigate. If we agree, we will correct our records. Even if we do not correct the data, you have the right to file with us a written statement of dispute, which we will include, in any future disclosure of the data.

If you have any questions about our privacy policy, please write to us at:

GREAT AMERICAN INSURANCE COMPANY
301 E 4th Street
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Attn: Compliance Office - Privacy