## A FARM MUTUAL COMPANY



**(Managed by American Bankers General Agency, Inc.)**

**(Administrative Offices: 11222 Quail Roost Drive, Miami, FL 33157)**

# SPECIALTY HOMEOWNERS PROGRAM

**WE WELCOME YOU AS A POLICYHOLDER OF RANCHERS AND FARMERS MUTUAL INSURANCE COMPANY.**

## RANCHERS AND FARMERS MUTUAL INSURANCE COMPANY

## SPECIALTY HOMEOWNERS PROGRAM

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## INSURING AGREEMENT

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

**IF THIS POLICY WAS ISSUED AT THE LIENHOLDER’S REQUEST, THIS POLICY WILL BE NULL AND VOID AT SUCH TIME AS ANOTHER POLICY BECOMES EFFECTIVE TO COVER THE DESCRIBED PROPERTY.**

WE provide insurance only for covered losses which occur during the policy period and for coverages shown on the Declarations Page.

## DEFINITIONS

“YOU”, “YOUR”, “YOURS” means the person named on the Declarations Page and that person’s husband or wife who lives in the same dwelling as the named insured.

“WE”, “US”, “OUR”, always means Ranchers and Farmers Mutual Insurance Company, Beaumont, Texas.

“Occurrence” means an accident, including continuous or repeated exposure to substantially similar conditions.

“Business” means:

1. any full or part time trade, profession or occupation;

2. the rental or holding for rental of any premises by an insured person;

3. occasional rental or holding for rental of the residence premises for use as a dwelling;

4. rental or holding for rental of part of the residence premises as a private garage, office, school or studio;

5. providing home day care services to a person(s) other than insureds and receiving monetary or other compensation for such services.

“Business Day” means a day other than a Saturday, Sunday or holiday recognized by the State of Texas.

“Insured Person” means YOU and any dependent person under the age of 21 who is a resident of YOUR household.

“Insured premises” means the residence premises described on the Declarations Page.

“Residence employee” means an employee of YOURS whose duties are in connection with the maintenance or use of the residence premises, or who performs similar duties not in connection with any type of business.

“Actual Cash Value” means the amount it would cost to repair or replace damaged property with material of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.

“Theft” means the fraudulent taking of tangible personal property belonging to another, from his possession without consent, with the intent to deprive the owner of the value of the same.

“Burglary” means the breaking and entering the residence of another with intent to commit a felony. There must be visible signs of forced entry for a loss to be caused by burglary.

“Total Loss” means that the cost to repair the damage to the dwelling plus the salvage value exceeds the actual cash value of the dwelling prior to a loss.

“In Transit” means the period of time during which the leveling jacks or blocks are removed and all utilities are disconnected for the purpose of transporting the dwelling from one location to another. This applies whether or not the dwelling is momentarily in motion and whether on a public roadway or otherwise. The dwelling will not be considered in transit if it is moved because it is threatened by a loss covered by this policy.

“Physical Damage” means damage to property YOU own. WE will identify the coverage WE provide for YOUR dwelling, adjacent structures and personal effects throughout this policy.

“Comprehensive Coverage” means WE will pay for direct, sudden and accidental loss of or for direct, sudden and accidental damage to YOUR dwelling, adjacent structures and personal effects, except for what is excluded.

“Dwelling” means the home described on the Declarations Page and any structures permanently attached to the home. It does not include any unattached structures, nor any structures connected by only a fence, utility line or similar connection, nor the land on which the home is located.

## PHYSICAL DAMAGE COVERAGES

**COMPREHENSIVE DWELLING COVERAGE**

WE will pay up to the amount shown on the Declarations Page for direct, sudden and accidental loss of or for direct, sudden and accidental damage to YOUR dwelling, as described on the Declarations Page. This includes its original parts, equipment and accessories (i.e., central air conditioning units and skirting), listed in the certificate of origin, bill of sale, manufacturers invoice or on the sales invoice given to YOU at the time YOU purchased YOUR dwelling.

WE will also pay for direct, sudden and accidental loss of or for direct, sudden and accidental damage to structures which are attached to the dwelling. Attached structures are classified as added rooms, carport structures, garage structures, and awnings or porch roof covers. WE will pay for these structures in the event of a covered loss if added after YOU purchased the home, provided YOU told US about them.

Comprehensive Dwelling Coverage does not apply while the dwelling is in transit.

### COMPREHENSIVE ADJACENT STRUCTURES COVERAGE

WE will pay up to the amount shown on the Declarations Page for direct, sudden and accidental loss of or for direct, sudden and accidental damage to adjacent structures which YOU own and which are located on YOUR “insured premises”. Adjacent structures are classified as structures which are not attached to the dwelling, including structures connected to the dwelling by only a fence, utility line or similar connection. This includes garages, wells and well pumps, carports, above-ground swimming pools and satellite dishes, provided YOU paid an additional premium for these coverages.

Adjacent structures coverage does not include fences, barns used for livestock, TV antennas, septic tanks, or in-ground swimming pools.

Comprehensive Adjacent Structures Coverage does not apply while the adjacent structures are in transit.

**COMPREHENSIVE PERSONAL EFFECTS COVERAGE**

WE will pay up to the amount shown on the Declarations Page for direct, sudden and accidental loss of or for direct, sudden and accidental damage to personal effects YOU own and which are usual and incidental to the use of YOUR dwelling as a dwelling. These personal effects must be located in YOUR dwelling or a fully enclosed adjacent structure located on YOUR premises.

A loss due to mysterious disappearance is not covered.

Personal Effects does not include:

1. Any motor vehicle, licensed or not, for use on or off public roads, including motor vehicle parts. WE will provide coverage for golf carts while used for golfing and for lawn mowers usual and incidental to the maintenance of YOUR “insured premises”;

2. YOUR animals, boats, aircraft, travel trailer, recreational vehicle, property of roomers or boarders, boat motors and money or securities;

3. Any device or instrument for the recording, reproduction or recording and reproduction of sound which could be operated by power from the electrical system of a motor vehicle, boat or aircraft; this includes radar detectors, CD players and CB radios;

4. Portable telephones;

5. Any item listed or separately insured by any other insurance;

6. Any item not owned by YOU;

7. Any item listed or insured under Comprehensive Adjacent Structures Coverage;

8. Any item owned by a resident of the household over the age of 21 other than those owned by the named insured shown on the Declarations Page.

### EXTENSION OF PERSONAL EFFECTS COVERAGE

WE will also pay a limited amount for YOUR personal effects located outside YOUR dwelling, outside a fully enclosed adjacent structure or located off YOUR premises. This includes property while in any bank, trust or safe deposit company, public warehouse or occupied dwelling not owned or occupied by or rented by YOU where the property has been placed for safe keeping. WE will pay up to ten (10%) percent of the amount of Comprehensive Personal Effects coverage for loss or damage caused by fire, lightning, windstorm, earthquake, landslide or burglary. There must be visible signs of forced entry for a loss to be caused by burglary.

The limited coverage for special personal effects categories applies.

### PERSONAL EFFECTS CATEGORIES SUBJECT TO LIMITED COVERAGE

There is a special limit for the following Personal Effects categories:

|  |  |
| --- | --- |
| Limit of Insurance | Personal Effects Group |
| $250 | guns and their equipment |
| $1,000 | jewelry, watches, precious and semi-precious stones, art, ceramics, china, antiques, and heirlooms |
| $250 | stamp collections |
| $250 | coin collections |
| $250 | furs |
| $250 | collectibles (i.e., baseball cards, porcelain collections, etc.) |
| $250 | musical instruments |
| $250 | video game decks and game cartridges |
| $250 | gold, silver bullion |
| $500 | sporting equipment |
| $500 | cameras and their equipment |
| $1,000 | computer and electronic equipment |
| $500 | power and hand tools |
| $750 | audio or video recording devices and equipment, records, stereo equipment, tapes or CD’s |

WE will only pay for these categories in the event of loss caused by fire, lightning, earthquake, landslide, windstorm, robbery or burglary. There must be visible signs of forced entry for a loss to be caused by burglary.

WE will pay the indicated amount for each of these categories, but no more than $2,500 maximum for all losses from one occurrence.

## YOUR ADDITIONAL COVERAGES

When YOU buy Comprehensive Dwelling Coverage, WE automatically include the following additional coverages. WE will pay for these losses with no deductible.

### ADDITIONAL LIVING EXPENSE COVERAGE

WE will pay the actual cost up to 10% of the amount of Comprehensive Dwelling coverage for reasonable Additional Living Expenses YOU pay when YOU cannot live in YOUR dwelling because it is damaged or destroyed by a covered peril. OUR payment ends when YOUR dwelling is repaired or replaced or seven days after WE have offered to make a reasonable settlement, whichever is less. WE will need paid receipts to verify YOUR reasonable additional living expenses incurred in addition to YOUR normal living expenses.

### DEBRIS REMOVAL COVERAGE

WE will pay for expenses YOU incur when YOU remove debris of covered property following a loss covered under this policy. WE will pay the actual cost of the debris removal up to 1% of the amount of the Comprehensive Dwelling Coverage. This does not apply to removal of debris which would be considered normal maintenance.

### EMERGENCY REMOVAL SERVICE COVERAGE

WE will pay when YOUR dwelling must be moved because it is threatened by a loss covered by this policy. The amount of coverage will be the actual moving cost up to $500 if YOUR dwelling can be removed in one section, or up to $1,000 for two or more sections.

### FIRE DEPARTMENT SERVICE COVERAGE

WE will pay when the fire department is called because of a fire in YOUR dwelling or because of a fire endangering YOUR dwelling. WE will pay the actual fire department charge up to $250.

### ANTENNA COVERAGE

WE will pay the actual cost up to $100 for loss of or damage to YOUR outside radio or TV antennas located on YOUR “insured premises”. WE will pay for losses caused by fire, lightning, earthquake, landslide and windstorm. This coverage does not cover satellite dishes, which are considered adjacent structures.

### TREES, SHRUBS, PLANTS AND LAWN COVERAGE

WE will pay for loss or damage to YOUR trees, shrubs, plants and lawn caused by fire, lightning, explosion, riot or civil commotion, aircraft, vandalism, malicious mischief, or motor vehicles not owned or operated by YOU. This coverages does not apply to any other type of landscaping materials such as gravel or timber, nor does it apply to damage caused by wind.

Coverage is the actual cost up to $25 for any one plant or shrub, the actual cost up to $100 for the lawn or one tree, with a maximum combined payment of $200 for each occurrence. WE do not insure property grown for business purposes.

### TIE-DOWN EQUIPMENT COVERAGE

WE will pay for damage to YOUR dwelling tie-down anchoring systems. This does not include loss or damage from rust, corrosion or faulty installation.

## DEDUCTIBLE

Most losses and damages are subject to a deductible amount as shown on the Declarations Page or elsewhere in this policy.

When YOUR loss is the deductible amount or less, YOU pay it all. When YOUR loss is more than the deductible shown, YOU pay the deductible amount and WE pay the balance of the loss up to the Amount of Insurance provided to YOU in this policy subject to all terms and conditions.

This policy may have different deductibles for different coverages. Only one deductible amount will be applied to a loss from one occurrence. If the deductible amounts are not equal, the highest deductible involved in the loss will apply.

## EXCLUSIONS

WE will not provide payment for loss or damage:

1. Due and confined to wear and tear, freezing, neglect or mechanical, structural, or electrical breakdown or failure, or manufacturer defect.

2. Caused by continuous or repeated seepage of water or steam from within a plumbing, heating or air conditioning system or from within a household appliance which occurs over a period of time.

3. Caused directly or indirectly by water, meaning:

a. flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;

b. water which backs up through sewers or drains;

c. 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 structures.

Direct loss by fire, explosion or theft resulting from water damage is covered.

4. Caused by enforcement of any governmental requirement regulating construction, confiscation, repair, demolition, sale, occupancy or relocation of YOUR dwelling.

5. If YOUR dwelling, adjacent structures, personal effects or premises are being used for any illegal trade or illegal business.

6. Due and confined to leakage from rain, sleet or snow or its resulting damage whether or not wind driven. This includes roof leakage, unless an opening is caused by a covered peril.

7. If YOUR dwelling, adjacent structures, personal effects or premises are used in any way or at any time for business or professional purposes.

8. To personal effects used in or pertaining to business pursuits.

9. Caused by birds, rodents, insects or animals.

10. Due to settling, cracking, shrinking, earth movement, bulging or expansion of pavements, patios, foundations, of YOUR dwelling or any of its parts.

11. If intentionally caused by YOU to YOUR dwelling, adjacent structures or personal effects, or if YOU intentionally gave US materially false information with intent to deceive in order to obtain this policy or in YOUR presentation of claim. This includes conversion and concealment by YOU.

12. Due to nuclear action which means nuclear reaction, radiation or radioactive contamination. Direct loss by fire resulting from nuclear action is insured.

13. Due to war, hostile or warlike action in time of peace or war whether declared or not declared.

14. To tires, wheels and axles, unless damaged by fire while attached to YOUR dwelling or stolen from inside an enclosed adjacent structure.

15. By theft or burglary of personal effects if the dwelling is not lived in or is vacant for more than 30 consecutive days before the loss.

16. By vandalism to the dwelling if the dwelling is not lived in or is vacant for more than 30 consecutive days before the loss.

17. Caused by tenants.

18. Due to latent defects; marring; deterioration; vermin or inherent vice; rust; mold; wet or dry rot; contamination; smoke from agricultural smudging or industrial operations.

19. Caused by collision or upset while the dwelling is in transit.

## CONDITIONS

### OUR PAYMENT METHODS

The amount WE pay for loss of, or damage to YOUR dwelling, adjacent structures and personal effects will be the lowest of:

1. The difference between the actual cash value of YOUR property immediately before the loss and its actual cash value immediately after the loss; or

2. The cost of repairing the damage; or

3. The actual cash value (as defined in this policy) of YOUR property immediately preceding the loss; or

4. The cost of replacing YOUR property; or

5. The amount of insurance shown on the Declarations Page.

WE may elect to replace the property with property of similar kind, quality and value.

Hail

The amount WE will pay YOU for loss or damage from hail depends on the type of loss or damage it causes.

1. Hail can cause structural damage, which is the actual penetration of the exterior surface or the cracking or breaking of support materials. When this type of loss, or damage occurs, WE will pay YOU the cost of repairing or replacing the damaged portion of the property.

2. Hail often dents the exterior surface of a dwelling. Since there is no structural damage, this will in no way affect the utility of the dwelling. The amount WE pay for this will be the difference between the actual cash value of YOUR property immediately before the loss and its actual cash value immediately after the loss.

YOU may choose to repair the damage. Repairs must be completed and a claim must be submitted within 90 days of the loss. Payment will be made to YOU for the amount of the repair less any payment made for the actual cash value difference before and after the loss. When a lienholder is named on the Declarations Page, OUR payment method will recognize the lienholder’s interest in YOUR property. Both YOUR name and YOUR lienholder’s name will appear on OUR payment check.

Pair and Sets

In case of loss to part of a pair, set, series of objects, pieces or panels, either interior or exterior, WE may:

1. Repair or replace any part to restore the pair or set to its value before the loss; or

2. Pay the difference between actual cash value of the pair or set before and after the loss.

WE cannot guarantee the availability of parts or replacements. WE will not be obligated to repair or replace, the entire pair, set or series of objects, piece or panel when a part is lost or damaged. Matching existing or adjacent part, piece or panel will be attempted but not required.

Tie-Downs

WE will pay the replacement cost or repair cost, whichever is less, for loss or damage to YOUR dwelling tie-down anchoring system.

Stolen Property

Before a loss for stolen property is paid and the property is replaced, WE may return any stolen property to YOU at OUR expense with a payment for any damage.

If, as a result of YOUR loss, WE pay YOU in cash or by replacement an amount equal to the actual cash value of YOUR property before the loss, WE have the right to take legal title to YOUR property at OUR option.

Total Loss

If as a result of YOUR loss WE pay YOU in cash or by replacement an amount equal to the actual cash value of YOUR property before the loss, WE have the right to take legal title to YOUR property at OUR option.

OUR Payment Methods are subject to the deductible and amounts as shown on the Declarations Page or elsewhere in this policy for the specific type of loss involved.

### WHAT YOU MUST DO IN CASE OF LOSS

In case a covered loss occurs, the insured person must perform the following duties:

1. Notify US at once but no later than 90 days after the loss unless extended by US in writing. The quickest way is to phone YOUR agent or US. We will require:

a. YOUR name and policy number;

b. The time, place and circumstances of the loss;

c. The names and addresses of witnesses;

2. Send US promptly any legal papers received relating to any claim;

3. Cooperate with US and assist US in any matter relating to a claim;

4. We may require that YOU file with US a notarized statement of loss within 90 days after the loss or damage. YOU may be required to exhibit the damaged property as often as is reasonably required and submit to examination under oath. YOU will be required to cooperate with US in OUR effort to investigate the loss. If YOU fail to cooperate, WE have the right to deny YOU coverage in this policy;

5. Any theft, robbery, burglary or vandalism loss must be reported to the police within 24 hours after YOU discover the loss. The police report must include a list of all stolen items. YOU must submit a copy of the police report when filing a claim.

6. If YOU have a loss, YOU must protect YOUR dwelling from any further damage. If YOU fail to do so, any further damages will not be recoverable by this policy. WE will pay any actual reasonable expenses for necessary emergency repairs incurred in protecting the dwelling, adjacent structures and personal effects from further loss if that loss is insured by this policy;

7. YOU must provide reasonable documentation to support ownership of personal effects when reporting theft, burglary or robbery losses.

### WHAT WE MUST DO IN CASE OF LOSS

1. Within 15 days after WE receive YOUR written notice of claim, WE will:

a. Acknowledge receipt of the claim.

If WE do not acknowledge the claim in writing, WE will keep a record of the date, method and content of acknowledgment.

b. Begin any investigation of the claim.

c. Specify the information YOU must provide in accordance with the Conditions and Provisions of this policy.

WE may request more information, if additional information is necessary during the investigation of the claim.

2. After WE receive the information We requested, WE will notify YOU in writing whether the claim will be paid or has been denied or whether WE need more information:

a. Within 15 business days; or

b. Within 30 days if WE have reason to believe the loss resulted from arson.

3. If WE did not approve payment of YOUR claim or require more time for processing YOUR claim, WE must:

a. Give the reasons for denying YOUR claim; or

b. Give YOU reasons why WE require more time to process YOUR claim. But, WE must either approve or deny YOUR claim within 45 days after OUR request for more time.

4. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines are extended for an additional 15 days.

5. Loss Payment:

a. If WE notify YOU that WE will pay YOUR claim, or part of your claim, WE must pay within 5 business days after WE notify YOU.

b. If payment of YOUR claim or part of YOUR claim required action on YOUR part, WE must pay within 5 business days after the date YOU have taken action.

### OTHER INSURANCE

If this is a voluntary policy and there is other coverage at the time of a loss, WE will pay only OUR share of any coverage for any loss or damages in excess of any applicable deductibles.

OUR share is determined by adding up the limits or amounts of all collectible insurance benefits and finding the percentage of the total which OUR limits or amount represents.

This policy is excess coverage for Comprehensive Personal Effects Coverage if there is other insurance coverage which will pay first. After the other policy has paid up to its limit, OUR policy will provide coverage up to its amount, but not exceeding the remainder of YOUR loss.

If this policy was issued at the lienholder’s request, this policy will be null and void at such time as another policy becomes effective to cover the described property.

### APPRAISALS

If settlement cannot be agreed to, then both YOU and WE will select a competent and disinterested appraiser within 20 days from the date of disagreement. The appraisers will select an umpire. An umpire must be chosen by the appraisers within 15 days of assignment and agreed to by both appraisers or a court appointed umpire will be chosen. The appraisers will determine the amount of the loss. If they do not agree, then each appraiser will submit the differences to the umpire. The agreement of any two will determine the amounts of loss. YOU pay YOUR appraiser and WE pay OUR appraiser. YOU and WE share equally the expense of the umpire and all other expenses of the appraisals.

### AUTOMATIC REINSTATEMENT OF COVERAGE

Any damage to YOUR property will reduce the amount of coverage available by the amount of the damage. YOUR coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of repairs or replacements.

### BANKRUPTCY

If YOU become bankrupt or insolvent, WE will still be obligated by this policy.

### CANCELLATION

1. YOU may cancel this policy at any time by notifying US of the date cancellation is to take effect. WE will send YOU any refund due when the policy is returned to US.

2. WE may cancel this policy at any time for the reasons stated in this condition by mailing YOU notice in writing of the date cancellation takes effect.

a. If this policy has been in effect for less than 60 days and is not a renewal policy, WE may not cancel this policy unless:

(1) WE identify a condition that:

(a) Creates an increased risk of hazard;

(b) Was not disclosed in the application for insurance coverage; and

(c) Is not the subject of a prior claim;

(2) Before the effective date of the policy WE do not accept a copy of a required inspection report that:

(a) Was completed by an inspector licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections; and

(b) Is dated not earlier than the 90th day before the effective date of the policy.

An inspection report is deemed accepted unless WE reject it before the 11th day after the date we receive it;

(3) YOU do not pay the premium or any portion of the premium due;

(4) The Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state;

(5) YOU submit a fraudulent claim; or

1. There is an increase in the hazard covered by this policy that is within YOUR control and that would produce an increase in the premium rate of this policy.

The effective date of cancellation cannot be before:

(1) The 10th day after WE mail notice if WE cancel for reasons (3), (4), (5), or (6) above.

(2) The 30th day after WE mail notice if WE cancel for any other reason.

b. If this policy has been in effect 60 days or more, or at any time if it is a renewal policy, WE may not cancel this policy unless:

(1) YOU do not pay the premium or any portion of the premium due.

(2) The Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.

(3) YOU submit a fraudulent claim.

(4) There is an increase in the hazard covered by this policy that is within YOUR control and that would produce an increase in the premium rate of this policy.

The effective date of cancellation cannot be before the 10th day after WE mail the notice. OUR notice of cancellation must state the reason for cancellation.

3. If WE cancel, OUR notice to YOU will state that this refund is not included with the notice, it will be returned on demand.

4. WE may not cancel this policy solely because YOU are an elected official

**REFUSAL TO RENEW**

1. WE may not refuse to renew this policy because of claims for losses resulting from natural causes.

2. WE may not refuse to renew this policy solely because YOU are an elected official.

3. WE may refuse to renew this policy if YOU have filed three or more claims under the policy in any three year period that do not result from natural causes.

If YOU have filed two claims in a period of less than three years, WE may notify you in writing, that if YOU file a third claim during the three-year period, WE may refuse to renew this policy by providing YOU proper notice of OUR refusal to renew as provided in **4.** below. If WE do not notify YOU after the second claim, WE may not refuse to renew this policy because of losses.

A claim does not include a claim that is filed but is not paid or payable under the policy.

4. If WE refuse to renew this policy, WE must deliver to YOU, or mail to YOU at your mailing address shown on the declarations page and any mortgagee named on the declarations page, written notice of OUR refusal to renew not later than the 30th day before the date on which this policy expires. Proof of mailing will be sufficient proof of notice. If WE fail to give you proper notice of OUR decision not to renew, YOU may require US to renew the policy.

### CHANGES IN YOUR POLICY

If any provision of this policy is in conflict with YOUR State’s or the Federal Government’s laws or regulations at the time YOUR policy is written, it is automatically changed to conform to them. WE will automatically give YOU the benefit of any extension or broadening of this policy, if the change does not require additional premium.

When YOUR policy is renewed, continued or extended, WE will furnish YOU any form revisions applicable to YOUR coverage.

The only other way this policy can be changed is if WE change it in writing, which will be made a part of this policy. Any change in YOUR premium will be made at that time.

**ACTION AGAINST US**

No action shall apply against US unless:

1. there has been full compliance with all the terms of this policy ; and
2. the action is brought within 2 years from the date when YOU discovered the loss.

### LIENHOLDER’S INTEREST

If YOU borrowed money to buy YOUR dwelling, the person, firm or association that loaned YOU the money has a secured interest in YOUR dwelling.

YOUR lienholder will require to be named on the Declarations Page as a separate insured party, for any insurable interest it may have.

When a lienholder is named on the Declarations Page, OUR Payment Method will recognize the lienholder’s interest in YOUR property. If WE elect to settle YOUR loss or damage in money, both YOUR name and YOUR lienholder’s will appear on OUR payment check. The check will be mailed to YOUR lienholder. If YOU have paid off YOUR lienholder, please tell US so that the lienholder’s name may be removed from the policy. WE will need proof of pay-off.

If YOUR interest in the dwelling is terminated, OUR Payment Method will recognize only the lienholder’s interest. No change in title or ownership of YOUR dwelling will cancel the lienholder’s interest in this policy.

YOU or the lienholder must let US know of any change of ownership or any increase in hazard which comes to YOUR or the lienholder’s knowledge. If an increase in hazard requires an additional premium, YOU must pay the additional premium.

If YOU fail to pay any premium due this policy, YOUR lienholder may be requested to pay that premium.

If YOU fail to give US proof of loss within the required 90 days, the lienholder is given an additional 30 days to notify US of the loss.

### OUR RIGHT TO RECOVER FROM OTHERS

After WE have made payment under this policy, WE have the right to recover the payment from anyone who may be held responsible. YOU will be required to sign any papers and do whatever is necessary to transfer this right to US.

Neither YOU nor anyone WE insure in this policy has the right to do anything to prejudice OUR rights.

### LOCATION

YOUR policy provides coverage for the dwelling and adjacent structures anywhere in the United States. YOUR policy provides coverage for personal effects anywhere in the world, subject to all terms and conditions of the policy. There is no coverage under this policy while YOUR dwelling is in transit between permanent locations. Coverage restarts once YOUR dwelling is properly blocked, leveled and hooked up to utilities. YOU must provide US with YOUR new address if YOU move YOUR dwelling.

### TRANSFER OF THIS POLICY

Interest in this policy may not be transferred without OUR written consent. If the policyholder named on the Declarations Page or the spouse of the policyholder residing in the same household dies, the policy will cover:

1. Any surviving member of the deceased’s household who was covered under this policy at the time of death;

2. The legal representative of the deceased person while acting within the scope of duties of a legal representative; and

3. Any person having proper custody of the insured property until a legal representative is appointed.

**RESIDENTIAL COMMUNITY PROPERTY CLAUSE**

This policy, subject to all other terms and conditions, when covering residential community property, as defined by state law, shall remain in force and effect as to the interest of each spouse covered, irrespective of divorce or change of ownership between the spouses unless excluded by endorsement attached to this policy until the expiration of the policy or until cancelled in accordance with the terms and conditions of this policy.

## SUPPLEMENTAL CONDITIONS

Ranchers and Farmers Mutual Insurance Company is licensed to operate under Chapter 911, Texas Insurance Code, and such statutes shall apply to and form a part of this policy the same as if written or printed upon, attached or appended hereto.

This policy is issued subject to the Articles of Incorporation and Bylaws of Company as they are now written and in effect or may hereafter be amended. The policyholder by his acceptance of this policy and the coverage and benefits thereof, hereby agrees to the foregoing condition.

The policyholder is notified that by virtue of this policy the policyholder is a member of the Ranchers and Farmers Mutual Insurance Company, and is entitled, and is lawfully provided in the Articles of Incorporation and Bylaws to one vote in person for the annual policyholder’s meeting as prescribed in the Bylaws, Article VII, to be held on the second Monday of December, or in any or all other meetings of said Company. Each member is entitled to only one vote regardless of the number of policies owned.

In Witness Whereof, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the Declarations page by a duly authorized agent of the Company.

