American Bankers Insurance Company of Florida

[A Stock Insurance Company]

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## COMMERCIAL INLAND MARINE PROTECTION LENDER EXPOSURE

## (MANUFACTURED HOME)

## CERTIFICATE OF INSURANCE

## TABLE OF CONTENTS

Insuring Agreement 1

Definitions 1-2

Section I - Coverage 2

Section II – Exclusions 2

Section III – Conditions:

Action Against Us 2

Acts of Agents 2

Appraisal 2-3

Automatic Reinstatement of Coverage 3

Bankruptcy or Insolvency 3

Cancellation 3

Concealment and Fraud 3

Conformity to State Statutes 3

Deductible 3

Examination of Records 3

Lenders Interest 3

Liberalization 3

Limitation of Transfer 3

Location of Property 3

No Benefit to Bailee 3-4

Other Insurance 4

Our Payment Methods 4

Our Right to Recover Payment 4

Premium 4

Premium Refund 4

Settlement of Claim Requirements 4-5

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**INSURING AGREEMENT**

**We** agree to provide the coverage described in this Certificate of Insurance in return for the payment of premium and compliance with all applicable conditions of this Certificate of Insurance.

## DEFINITIONS

**We, us, and our** means American Bankers Insurance Company of Florida.

**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.

**Alteration** means changes made in the **property** by someone in lawful possession of the **property** resulting in a reduction in value.

**Borrower** means the individual or retail purchaser shown on the Certificate of Insurance Declarations who is indebted to the **lender** under a legally enforceable **security agreement**.

**Business** means:

1. any full or part-time trade, profession, occupation or activity engaged in for compensation;

2. rental or holding for rental part of the **manufactured home** as a residence, private garage, office, or school; or

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

**Conversion** means the wrongful use of insured **property** by someone in lawful possession of the **property** including the transfer of ownership without the permission of the lienholder or any other party holding an interest in the **property**.

**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 **manufactured home** from one location to another. This applies whether or not the **manufactured home** is momentarily in motion and whether on a public roadway or otherwise.

**Lender** means the lienholder (person or organization) shown as the Master Policyholder on the Certificate of Insurance Declarations, who has a legal interest in the **property** which serves as collateral under a **security agreement**.

**Manufactured home** means one, two or more factory fabricated, transportable units, including attached structures and their replacements which remain part of the **manufactured home**.

**Manufactured home** includes:

1. parts, equipment and accessories as described in the certificate of origin, manufacturer’s invoice, sales contract and replacements of these items which remain part of the **manufactured home**; and

2. the tie-down anchoring systems.

The **manufactured home** must be:

1. constructed to be towed on a chassis or other similar means of transportation;

2. connected to utilities; and

3. designed with or without a permanent foundation for year round living. **Property** means a **manufactured home** written as collateral for a loan as described on the Certificate of Insurance Declarations.

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**Secretion** means that someone in lawful possession of the **property** has moved or placed it in a new location, and the owner, lienholder or mortgagee is unaware of the new location.

**Security agreement** means any valid and enforceable lien instrument evidencing indebtedness to, or creating a lien on **property** held by the **lender** as collateral, and scheduled for monthly payments. These instruments shall include:

1. Conditional Sales Contract;

2. Chattel Mortgage;

3. Conditional Bill of Sale;

4. Promissory Note;

5. Chattel Trust Deed;

6. Deed of Trust;

7. Secured Interest;

8. Trust Receipt;

9. Certificate of Title;

10. Financing Statement; or

11. Retail Installment Sales Contract.

## SECTION I - COVERAGE

**We** will pay for direct and accidental physical loss to covered **property** which occurs during the policy period shown in the Certificate of Insurance Declarations except for the causes of loss shown in Section II. Exclusions.

## SECTION II - EXCLUSIONS

1. **We** will not pay for loss caused directly or indirectly by:
2. **alteration**, **conversion**, embezzlement or **secretion** by any person in lawful possession of the **property**;
3. birds, rodents, insects, vermin or animals;

3. condensation, humidity, or vapor, or by continuous or repeated seepage or leakage of water or steam over a period of weeks, months or years. This exclusion does not apply to loss caused by sudden and accidental bursting, tearing apart, cracking, burning or bulging of the system, due to the pressure of, or lack of, water or steam from plumbing, heating, fire sprinkler or air conditioning systems, or from within a household appliance;

4. damage caused by tenants;

5. dishonest, fraudulent or criminal acts by the **borrower**;

6. enforcement of any governmental requirement regulating construction, confiscation (including from civil authority), repair, demolition, sale, occupancy or relocation of the **property**;

7. freezing, rust, mold, wet or dry rot, corrosion or contamination;

8. leakage from rain, sleet or snow or its resulting damage whether or not wind driven. However, this exclusion does not apply if a covered peril causes an opening in the roof or to the exterior of the **manufactured home**, which causes the leakage;

9. nuclear action which means nuclear reaction, radiation or radioactive contamination. Direct loss by fire resulting from nuclear action is insured;

10. riot, civil commotion, revolution or insurrection;

11. settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations of the **property** or any of its original parts;

12. smog, smoke from agricultural smudging or industrial operations;

13. vandalism or malicious mischief, if the **property** is unoccupied for more than 30 consecutive days before the loss;

14. war, hostile or warlike action in time of peace or war whether declared or not declared;

15. water backing up through sewers or drains or water below the surface of the ground; or

16. wear and tear, latent defects, marring, deterioration, inherent vice, neglect, abusive use, mechanical, structural or electrical breakdown or failure, or manufacturer defect.

**B.** **We** do not provide coverage for:

1. loss to tires, wheels, and axles, unless damage was caused by fire while attached to the **property** or if stolen from inside the **property**;

2. personal **property**;

3. **property** while **in transit**;

4. **property** held as collateral under any floor plan or field warehouse type of financing;

5. **property** used for any illegal trade or illegal business;

6. **property** used exclusively for any business, commercial or non-residential purposes; or

7. tie-down anchoring systems if caused by or resulting from rust, corrosion or faulty installation.

## SECTION III - CONDITIONS

1. **ACTION AGAINST US**

The **borrower** may not bring action against **us** unless:

1. there has been full compliance with all of the terms of this Certificate of Insurance; and

2. action is brought within one (1) year after the date the direct physical loss or damage occurred.

1. **ACTS OF AGENTS**

Knowledge by **our** authorized agent of any fact that breaches a condition of this Certificate of Insurance will be knowledge by **us**, if such fact is known by **our** authorized agent at the time the Certificate of Insurance is issued.

1. **APPRAISAL**

If the **lender**, the **borrower** and **we** cannot agree on the amount of loss, either party:

1. may demand an appraisal of the loss; and

2. has the right to select a competent and disinterested appraiser within fifteen (15) days from the date of disagreement.

The appraisers will select an umpire. If the appraisers are unable to agree upon an umpire within fifteen (15) days, the **lender**, the **borrower** and **we** may ask a judge of a court of record in the **lender’s** or the **borrower’s** state to select an umpire. The appraisers will then determine the amount of loss. If they cannot agree on the **actual cash value** and the amount of loss, any differences will be submitted to the umpire. A decision by any two will be binding on all parties.

Each party will:

1. pay its chosen appraiser; and

2. share the expense of the appraisal and umpire equally.

**We** do not waive any of **our** rights under this Certificate of Insurance by agreeing to an appraisal.

1. **AUTOMATIC REINSTATEMENT OF COVERAGE**

Any damage to **property** under this Certificate of Insurance will reduce the amount of coverage available by the amount of the damage. Coverage will return to the limit of liability shown on the Certificate of Insurance Declarations upon completion of repairs or replacements.

1. **BANKRUPTY OR INSOLVENCY**

Bankruptcy or insolvency of the **lender** or the **borrower** will not relieve **us** of any obligation under this Certificate of Insurance.

1. **CANCELLATION**

1. This Certificate of Insurance may be cancelled as follows:

a. The **lender** may cancel the Certificate of Insurance by delivering or mailing to **us** and, unless the **property** is repossessed, the **borrower** written notice before cancellation is to become effective.

b. **We** may cancel the Certificate of Insurance by delivering or mailing to the **lender** and the **borrower** written notice at least:

(1) ten (10) days before the effective date of cancellation, if cancellation is for nonpayment of premium; or

(2) thirty (30) days before the effective date of cancellation, if cancellation is for any other reason.

c. The **borrower** may cancel by first obtaining the **lender’s** written consent and delivering or mailing to **us** written notice stating when thereafter cancellation will take effect.

2. Any Certificate of Insurance will immediately terminate, with or without notice, upon:

a. payment in full of the obligation assumed under the **security agreement**;

b. sale, trade, transfer, abandonment or repossession of the **property**; or

c. the inception of other insurance to cover the **property**, naming the **lender** as loss payee and providing at least the same coverage.

1. **CONCEALMENT AND FRAUD**

**We** will cancel the **borrower’s** interest but not the **lender’s** interest in this Certificate of Insurance, whether before or after a loss, if the **borrower**:

1. conceals or misrepresents any material fact;

2. makes any fraudulent statement(s); or

3. engages in any fraudulent conduct,

a. in connection with this insurance; or

b. in presentation of a claim.

**H. CONFORMITY TO STATE STATUTES**

If any provision of this Certificate of Insurance conflicts with state or federal law or regulation, it is amended to conform to the minimum requirements of such statutes where it is issued, upon the effective date.

1. **DEDUCTIBLE**

Covered losses are subject to a deductible amount as shown on the Certificate of Insurance Declarations. If the loss is equal to or less than the deductible amount, there is no recovery under this Certificate of Insurance. If the loss is greater than the deductible amount, **we** will pay the amount of loss as determined by **OUR PAYMENT METHODS**, not to exceed the limit of liability shown on this Certificate of Insurance. The deductible will apply on a per occurrence basis.

1. **EXAMINATION OF RECORDS**

**We** will have access to the **lender’s** books and records at all reasonable times. Upon **our** request, the **lender** will provide original or certified copies of any required documents, books, accounts, bills, invoices or vouchers. Any evasion or attempted evasion by the **lender** in connection with reports, payment of premium, or any matter relating to this insurance may void this Certificate of Insurance and shall be an absolute defense to suit or action brought under this Certificate of Insurance.

1. **LENDER’S INTEREST**

Except as to the application of a deductible, the **lender’s** interest in this insurance will not be reduced by any acts or omissions of the **borrower** over which the **lender** has no knowledge or control.

1. **LIBERALIZATION**

If **we** adopt any revision which would broaden coverage without an additional premium charge, the broadened coverage will immediately apply to this Certificate of Insurance.

1. **LIMITATION OF TRANSFER**

Coverage provided under a Certificate of Insurance is not transferable to any other **property**.

1. **LOCATION OF PROPERTY**

**We** will pay for losses that occur during the policy period shown on the Certificate of Insurance Declarations while the **property** is within the United States of America, its territories or possessions.

1. **NO BENEFIT TO BAILEE**

This Certificate of Insurance does not provide coverage to benefit directly or indirectly any person, organization or entity:

1. who is caring for or handling the **property**, other than the **lender** or the **borrower**; or

2. holding, storing or transporting the **property** for a fee.

1. **OTHER INSURANCE**

A Certificate of Insurance is issued because the required evidence of insurance on the **property** was not received. Upon receipt of such evidence of insurance, the **lender** will promptly notify **us** or **our** agent and request coverage to be cancelled. Coverage on the **property** will terminate as of the effective date of the other acceptable insurance. The unearned premium will be computed in accordance with the terms of this Certificate of Insurance.

If at the time of loss, there is other insurance on the covered **property** naming the **lender** as loss payee and providing at least the same coverage, this Certificate of Insurance will terminate as of the effective date of the other acceptable insurance. The unearned premium will be computed in accordance with the terms of this Certificate of Insurance.

1. **OUR PAYMENT METHODS**

1. Covered losses are settled as follows:

a. Partial Losses- – the cost to repair or replace the damaged portion of the **property** without deduction for depreciation up to the limit of liability shown on the Certificate of Insurance Declarations, less any deductible.

b. Total Losses- the limit of liability shown on the Certificate of Insurance Declarations.

2. Our payment methods for specific types of losses:

a. Pairs 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 the **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.

b. Hail - the amount **we** pay 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 the cost of repairing or replacing the damaged portion of the property.

(2) Hail often dents the exterior surface of the manufactured home. Since there is no structural damage, this will in no way affect the utility of the manufactured home. The amount **we** pay for this will be the difference between the **actual cash value** of the **property** immediately before the loss and its **actual cash value** immediately after the loss.

1. **OUR RIGHT TO RECOVER PAYMENT**

If **we** make any payment under this Certificate of Insurance and the **lender** or the **borrower** have the right to recover damages from a third-party, with respect to the event giving rise to such payment, **we** have the legal right of subrogation against that party. The **lender** or the **borrower** will:

1. assign to **us** all rights of recovery against any such person or organization;

2. execute and deliver to **us** any papers or **security agreement**;

3. at **our** request, do whatever is reasonably necessary to enable **us** to exercise **our** subrogation rights; and

4. do nothing after a loss to prejudice **our** rights.

**We** waive **our** right to recover payment against the **borrower** if the loss did not originate through the **borrower**’s willful or deliberate actions, knowledge or intent.

If the **borrower** accepts payment from any person or organization responsible for the loss, **we** reserve the right of recovery against the **borrower**.

If **we** recover more than **our** payment, **we** will reimburse the **lender** for the **borrower**’s account.

1. **PREMIUM**

The premium on each **property** covered shall be calculated using the rates in effect at the effective date of each Certificate of Insurance.

1. **PREMIUM REFUND**

If a Certificate of Insurance is canceled for any reason, **we** will refund the premium on a pro rata basis.

**U. SETTLEMENT OF CLAIM REQUIREMENTS**

1. In case of a loss to covered **property**, the **borrower** must:

a. take reasonable steps after a loss to protect the **property** from further loss. If the **borrower** fails to do so, any further damage will not be covered by this Certificate of Insurance;

b. notify **us** or **our** agent of every loss or damage which may become a claim under this Certificate of Insurance. The submission of proof of loss shall constitute notification;

c. submit a proof of loss (on forms supplied by **us**), to the **lender** within ninety (90) days from the date of the loss or as soon as reasonably possible. The **borrower’s** failure to do so will void any claim under this Certificate of Insurance for that loss with respect to the **borrower’**s interest;

d. permit **us** to inspect and appraise the damaged **property** before its repair or disposal; and

e. cooperate with **us** in the investigation, settlement, or defense of any claim or suit.

2. In the event of a claim, **we** may require:

a. examination under oath; and/or

b. a sworn signed statement from:

(1) the **lender**, the **lender’s** officers, agents or employees; and/or

(2) the **borrower** or members of the **borrower’s** household.

3. In the event of an unrecovered theft, the **lender** will assign to **us**:

a. the **security agreement** to the extent as it relates to the covered **property**;

b. the deed;

c. the title; and

d. the **lender’s** interest in the stolen **property**,

upon settlement of the claim.

**We** will adjust all losses with the **lender**. Loss will be made payable to the **lender** and the **borrower** as their interests appear, either by a single instrument or by separate instruments payable respectively to the **lender** and the **borrower**, at **our** option.

**We** will pay a claim within sixty (60) days after **we** receive proof of loss.

IN WITNESS WHEREOF, **we** have caused this Certificate of Insurance to be signed by **our** President and Secretary, but it shall not be valid unless countersigned on the Certificate of Insurance Declarations by **our** duly authorized agent (where required by state law).

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Secretary President