PROPERTY CONDITIONS

SECTION I - CONDITIONS

1. **Insurable Interest and Limit of Liability.** *We* will not pay any person or organization an amount greater than its insurable interest in the property covered at the time of the loss. Regardless of the number of persons or organizations who qualify for coverage, *we* will not pay more than the applicable limit of liability.

2. **What You Must Do After a Loss.** *We* have no obligation to provide coverage under this policy if *you* or *your* representative fail to comply with the following duties.
   A. Immediately notify *us* or *our* representative.
      In case of theft, promptly notify the police.
      In case of loss under the credit card or electronic fund transfer card coverage, promptly notify the issuing company or bank.
   B. Protect the property from further damage, make reasonable and necessary repairs required to protect the property and keep a record of necessary expenditures.
   C. Cooperate with *us* in the investigation of a claim.
   D. Prepare an inventory of damaged or stolen personal property showing, in detail, the quantity, age, description, **actual cash value** and amount of loss claimed for each item. Attach to the inventory all bills and other documents that substantiate the figures in the inventory.
   E. At any reasonable time and place *we* designate, and as often as *we* reasonably require:
      1. show *us* the damaged property;
      2. submit to questions concerning the loss under oath while not in the presence of any other person defined as "*you*", and sign and swear to the answers: and
      3. allow *us* to examine and copy or abstract any records and documents *we* request.
   F. Within 60 days after *our* request, *you* must file with *us* a signed and sworn proof of loss, stating to the best of *your* knowledge:
      1. the time and cause of loss;
      2. *your* interest and that of any other person in the property involved and all encumbrances on the property;
      3. a description of each item, including all information contained in the inventory described above;
      4. a description of other insurance policies that might apply to the loss;
      5. any changes in ownership, use, possession or location of the property that took place since this policy was issued;
      6. if loss is to a building, who occupied it at the time of loss, what the purposes of such occupancy were, and whether the building stood on leased ground;
      7. specifications of any damaged building, fixture or machinery and detailed estimates for repair of the damage;
      8. receipts for additional living expenses *you* incur and records supporting the fair rental value; and
      9. evidence or affidavit supporting a claim under **SECTION I - ADDITIONAL COVERAGES** for Credit Card, Electronic Fund Transfer Card, Forgery and Counterfeit Money, stating the amount and cause of loss.

3. **Our Settlement Options.** *We* will adjust all losses with *you*. *We* will pay *you* unless another payee is named in the policy. *We* will pay within 60 days after the amount of loss is agreed upon. This amount may be determined by an agreement between *you* and *us*, an appraisal award or entry of a final judgment, subject to **SECTION I - HOW WE SETTLE A PROPERTY LOSS**.

*We* have the option of taking all or part of the property at the agreed or appraised value. *We* have the option to repair, rebuild or replace the damaged or destroyed property with property of like kind and quality within a reasonable time. *We* must give *you* notice of *our* intention within 30 days after *we* receive *your* signed, sworn proof of loss.
4. **Loss.** Any loss we pay under this policy does not reduce the limit of liability.

5. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
   A. repair or replace any part to restore the pair or set to its value before the loss; or
   B. pay the difference between actual cash value of the property before and after the loss.

6. **Abandoned Property.** We are not obligated to accept any property or responsibility for any property abandoned by you.

7. **Appraisal.** If you and we fail to agree on the amount of loss, either you or we can make a written demand for an appraisal of the loss. Each party will select a competent appraiser and notify the other within 20 days of the appraiser's identity. The two appraisers will select a competent and impartial umpire. If the two appraisers are unable to select an umpire within 15 days, you or we can request that the choice of an umpire be made by a judge of a court of record in the state where the residence premises is located.

   The appraisers will separately set the amount of loss determining the full replacement cost and actual cash value for each item as needed. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. The written award by two of these three people for any item will set the amount of loss and is binding on you and us when filed with us.

   You will pay the appraiser selected by you. We will pay the appraiser selected by us. You and we will split the other expenses of appraisal and the fee of the umpire.

8. **Rights and Duties of Mortgagee.** If a mortgagee is named in the Declarations, any payment for loss under Coverage A or B will be made to the mortgagee to the extent of its interest under all present and future mortgages. If more than one mortgagee is named, payment will be made in the order of priority of the mortgagees.

   The interest of the mortgagee under this policy will not be affected by any action or neglect by you. The interest of the mortgagee under this policy will terminate unless it:
   A. pays upon demand any premium due if the owner or mortgagor fails to do so;
   B. notifies us of any change of ownership or increase in hazard of which the mortgagee has knowledge; and
   C. pays upon demand the premium for any such increase in hazard.

   We will notify the mortgagee if you fail to give us proof of loss. Within 60 days after receiving such notice, the mortgagee must give us proof of loss. Policy conditions relating to appraisal, time of payment and time of bringing lawsuit apply to the mortgagee.

   We will give the mortgagee not less than 10 days notice of cancellation or nonrenewal of the insurance protecting its interest.

   If we pay the mortgagee for any loss and deny payment to you, we will be subrogated to the extent of our payment to all the rights that the mortgagee has under the mortgage on the property. At our option, we may pay to the mortgagee the whole principal on the mortgage and any interest due. In this event, we may receive a full assignment and transfer of the mortgage and all securities held as collateral for the mortgage debt. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

   Our cancellation of the policy also applies to agreements under this condition.

   As used in this condition, the term "mortgagee" includes a trustee, if applicable.

   If the Coverage A insurance is provided for a mobile home, the term "mortgagee" includes a lienholder.

9. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.