
**MORTGAGE SECURITY MASTER POLICY
DECLARATIONS**

Master Policy Number: FIC-MI-00010**Named Insured/Mortgagee:** Stateside APM
Mailing Address: 6445 Citation Drive, Suite F
Clarkston, MI 48346**Agent Name:** Financial Insurance Consultants, LLC
Mailing Address: P.O. Box 2486
Mandeville, LA 70470**Agent Number:** F59054**POLICY PERIOD****Effective Date:** March 31, 2017 **Expiration Date:** Until Canceled
12:01 A.M. Local Standard Time at the address of the Named Insured

COVERAGE TYPE	LIMIT OF LIABILITY (AMOUNT OF INSURANCE)	DEDUCTIBLE (IF ANY)	RATE	PREMIUM
Residential LP/REO	up to \$1,000,000	See Rate Table*	See Table	TBD
Commercial LP/REO	up to \$2,000,000	See Rate Table *	See Table	TBD

*Wind/Hail/Hurricane –Greater of 2% Per Occurrence subject to Minimum Base Deductible or Stated Deductible each loss.

Coverage:	The insurance afforded is only with respect to such of the described coverages as are indicated by a specific premium charge or charges. The limit of our liability, deductible, rate and premium applicable to each such coverage shall be as stated herein, subject to all the terms of this Declarations having referenced thereto.
Property Insured:	Coverage applies only to eligible real properties (buildings) upon which you have requested we provide coverage, for which you have paid a premium, and in which you have an insurable interest as mortgagee or as the servicing agent by written agreement. This insurance does not cover land.
Coverages Provided:	All coverages, terms and conditions for residential property are set forth in Section II of the Mortgage Security Master Policy and in the attached policy forms. All coverages, terms and conditions for commercial property are set forth in Section III of the Mortgage Security Master policy and in the attached policy forms.
Limit of Liability:	The maximum limit of liability (amount of insurance) shall be the lesser of the amount shown on your request for insurance reflected on the monthly reports as described in this policy, or \$1,000,000 for residential property and \$2,000,000 for commercial property.
Taxes and Fees:	As mandated by individual states

Maximum Term per each Mortgagor's Notice of Insurance:
12 Months

Lender Placed/Real Estate Owned
Residential Hazard Rates

LENDER PLACED RESIDENTIAL HAZARD REAL ESTATE OWNED RESIDENTIAL HAZARD		
State	Territory	\$5,000 / \$5,000 V&MM
All Other States / US Territories Except CT, FL, MA and NY	All Territories	0.99
California	All Territories	0.51
Hawaii	All Territories	0.81
Louisiana	Remainder of State	0.99
Louisiana	Territory 52	1.97
Mississippi	Remainder of State	0.89
Mississippi	Territory 52	1.34
Oklahoma	All Territories	1.34
South Carolina	Remainder of State	0.99
South Carolina	Territory 52	1.13
Texas	Remainder of State	1.08
Texas	Territory 52	2.20
Washington	All Territories	0.94

Insured Perils - Special Form

Wind/Hail/Hurricane Deductible – 2% Per Occurrence subject to \$5,000 Minimum

2% Wind/Hail/Hurricane Deductible NOT applicable in CA

Demolition and Foreclosure Expense Coverage – Included - \$5,000 Limit Debris

Removal Coverage – Included - \$5,000 Limit

Lender Placed/Real Estate Owned
Commercial Hazard Rates

LENDER PLACED COMMERCIAL HAZARD REAL ESTATE OWNED COMMERCIAL HAZARD		
State	Territory	\$5,000 / \$5,000 V&MM
All Other States / US Territories Except FL, CT, MA and NY	All Territories	1.73
California	All Territories	1.04
Hawaii	All Territories	1.42
Louisiana	Remainder of State	1.73
Louisiana	Territory 52	3.45
Mississippi	Remainder of State	1.55
Mississippi	Territory 52	2.35
Oklahoma	All Territories	1.73
South Carolina	Remainder of State	1.73
South Carolina	Territory 52	1.99
Texas	Remainder of State	1.90
Texas	Territory 52	3.86
Washington	All Territories	1.67

Insured Perils – All Risk Commercial (Special Form)
Commercial Building Replacement Cost
Wind/Hail/Hurricane Deductible – 2% Per Occurrence subject to \$5,000 Minimum
2% Wind/Hail/Hurricane Deductible NOT applicable in CA
Demolition and Foreclosure Expense Coverage – Included - \$5,000 Limit Debris
Removal Coverage – Included - \$5,000 Limit

MINE SUBSIDENCE INSURANCE – OHIO

The following counties are MANDATORY:

Athens	Harrison	Meigs	Stark
Belmont	Hocking	Monroe	Trumbull
Carroll	Holmes	Morgan	Tuscarawas
Columbiana	Jackson	Muskingum	Vinton
Coshocton	Jefferson	Noble	Washington
Gallia	Lawrence	Perry	
Guernsey	Mahoning	Scioto	

Annual Rate: \$1.00

Property Limits: \$1,000 to \$300,000

Territories:

Louisiana:

Acadia, Ascension, Assumption, Calcasieu, Cameron, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Terrebonne, Vermilion

Mississippi:

George, Hancock, Harrison, Jackson, Pearl River, Stone

South Carolina:

Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Hampton, Horry, Jasper

Texas:

Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kennedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, Willacy

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
COMMERCIAL ALL RISK COVERAGE ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that in consideration of an additional premium paid by the mortgagee and upon the mortgagee's request for coverage, **we** agree to provide commercial all risk coverage as described below. The Mortgage Security Master Policy, Section III – Commercial Property Coverage, Perils Insured Against is deleted and replaced with the following:

This **policy** insures against all risk of direct physical loss to **insured property** subject to the provisions and stipulations herein and in the **policy** of which this form is made a part, except losses excluded under Section III – Commercial Property Coverage, Exclusions.

The Mortgage Security Master Policy, Section III – Commercial Property Coverage, Exclusions, Item 2. is amended by the addition of the following:

2. **We** will not pay for loss or damage caused by or resulting from:

- f. Wear and tear, deterioration, rust or corrosion, mold, wet or dry rot, inherent or latent defect, smog; smoke, vapor or gas from agricultural or industrial operations; mechanical breakdown, including rupture or bursting caused by centrifugal force; settling, cracking, shrinkage, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings; animals, birds, vermin, termites or other insects; unless loss by a peril not otherwise excluded, and then **we** shall be liable for only such ensuing loss;
- g. Explosion of steam boilers, steam pipes, steam turbines or steam engines (except direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox, or combustion chamber, of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom) if owned by, leased by or operated under the control of the **named insured**, or any ensuing loss by a peril not otherwise excluded ensures and then **we** shall be liable for only such ensuing loss;

The following are not explosions within the intent or meaning of these provisions:

- (1) Shock waves caused by aircraft, generally known as "sonic boom";
 - (2) Electric arcing;
 - (3) Rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
 - (4) Water Hammer;
 - (5) Rupture or bursting of water pipes;
 - (6) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water;
 - (7) Rupture, bursting or operation of pressure relief devices.
- h. Leakage or overflow from plumbing, heating, air conditioning or other equipment or appliances (except protective systems) caused by or resulting from freezing while the building is vacant or unoccupied, unless the **named insured** shall have exercised due diligence with respect to maintaining heat in the buildings or unless such equipment and appliances had been drained and the water supply shut off during such vacancy or unoccupancy;
 - i. Theft (including but not limited to burglary and robbery) of any property which at the time of loss is not installed or attached to and made a part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not otherwise excluded in this **policy** ensures from theft or attempted theft, and then **we** shall be liable for only such ensuing loss;
 - j. Unexplained or mysterious disappearance of any property, or shortage disclosed on taking inventory, or caused by any willful or dishonest act or omission of the **named insured** or any associate, employee or agent of any **named insured**; or
 - k. Continuous or repeated seepage or leakage of water or steam from within a plumbing, heating or air conditioning system or from within domestic appliance which occurs over a period of weeks, months, or years;
 - l. Faulty design, specifications, workmanship, construction, or materials if a peril excluded by this **policy** contributes to the loss at any time.

ALL OTHER PROVISIONS OF THE POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
COMMERCIAL REPLACEMENT COST ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that in consideration of an additional premium paid by the mortgagee and upon the mortgagee's request for coverage, Section III – Commercial Property Coverage, Other Provisions, Item 1. Loss Settlement is deleted and replaced with the following:

1. **Loss Settlement.** Subject to the applicable limit of liability, **insured property** losses are settled as follows:
 - a. **Property** and structures that are not buildings shall be paid at actual cash value at the time of loss, not to exceed the amount necessary to repair or replace;
 - b. Carpeting, domestic appliances, awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, shall be paid at actual cash value at the time of loss, not to exceed the amount necessary to repair or replace;
 - c. Building(s), as described under Section III – Commercial Property Coverage, Property Covered, Building(s) Coverage, shall be paid at replacement cost without deduction for depreciation, subject to the following:
 - (1) **We** will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the lesser of the following amounts:
 - (a) The limit of liability on the building(s);
 - (b) The replacement cost of that part of the building(s) damaged using commonly used building materials to place the **property** in a habitable condition for use on the same premises; or
 - (c) The amount actually and necessarily spent to repair or replace the damaged building(s).
 - (2) If **you** decide not to repair or replace the damaged **property**, at **our** option, **we** may make settlement on an actual cash value basis. **You** may make claim within one year after the loss for any additional payment on a repair or replacement.
 - (3) When the cost to repair or replace the damage exceeds \$1,000 or 5% of the building(s) limit of liability, whichever is less, **we** will pay no more than the actual cash value of the damage until actual repair or replacement is completed.
 - d. Tenant's Improvements and Betterments:
 - (1) If repaired or replaced at the expense of **you** or the mortgagor within a reasonable time after loss, the actual cash value of the damaged or destroyed improvements and betterments.
 - (2) If not repaired or replaced at the expense of **you** or the mortgagor within a reasonable time after loss, that proportion of the original cost at the time of installation of the damaged or destroyed **property** which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the periods from the date such improvements or betterments were made to the expiration of the lease.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
DEMOLITION AND FORECLOSURE EXPENSE ENDORSEMENT \$5,000**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that in consideration of an additional premium paid by the mortgagee and upon the mortgagee's request for coverage, **we** agree to provide Demolition and Foreclosure Expense coverage for those **properties** insured under a Mortgage Security Master Policy.

DEMOLITION AND FORECLOSURE EXPENSE COVERAGE

In the event of total loss caused by a covered peril to a residential or commercial **property** covered by this **policy**, **we** will provide an additional amount of insurance to cover loss due to demolition and foreclosure expenses incurred.

The additional amount of insurance will be the lesser of:

- a. A maximum of \$5,000 per occurrence;
- b. Ten percent (10%) of the limit of liability applicable to the **insured property**; or
- c. The amount of loss actually incurred.

The deductible shown on the Mortgage Security Master Policy Declarations shall apply to each loss separately.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.		
POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
DEBRIS REMOVAL - ADDITIONAL COVERAGE**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that in consideration of an additional premium paid by the mortgagee and upon the mortgagee's request of coverage, the following coverage is added and replaces all other Debris Removal coverage provided for in the Mortgage Security Master Policy.

Debris Removal: We will pay up to the limit of liability shown for this endorsement on the **Mortgagor's Notice of Insurance** for the reasonable expenses to remove debris from the **insured property** caused by or resulting from a covered loss. This is an additional coverage and does not reduce the **insured property** limit of liability.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

MORTGAGE SECURITY MASTER POLICY

SECTION I - MASTER POLICY

INSURING AGREEMENT

We will pay for direct, sudden and accidental loss to **insured property** caused by the perils insured against, but only if such **property** is described in a **Mortgagor's Notice of Insurance** that was issued prior to the date of loss.

DEFINITIONS

Throughout this **policy**:

1. **You, your and named insured** refer to the Financial Institution shown on the Mortgage Security Master Policy Declarations as the Named Insured/Mortgagee.
2. **We, us and our** refer to the Company providing this insurance.
3. **Policy** shall include the Mortgage Security Master Policy, all coverage forms and endorsements attached thereto, and any **Mortgagor's Notice of Insurance** issued pursuant to this **policy**.
4. **Mortgagor's Notice of Insurance or Notice** means an individual certificate of insurance providing specific coverage on mortgaged **property** protecting **your** interest as mortgagee. The mortgagor is not a **named insured** under the **policy**.
5. **Insured property or property** means real property specifically described in a **Mortgagor's Notice of Insurance** in which **you** have an insurable interest as mortgagee.
6. **Your insurable interest** means **your** interest in the **property** described in a **Mortgagor's Notice of Insurance**. **Your insurable interest** is limited to the net principal balance plus any accrued interest, but exclusive of late fees and other charges, as of the date that any loss is reported to **us**. It would also include the mortgagee interest of others **you** service pursuant to a written servicing agreement.

GENERAL PROVISIONS - APPLICABLE TO SECTION II AND SECTION III

1. **Term of Notice:** Coverage shall apply to those **properties** reported to **us** by written application. A **Mortgagor's Notice of Insurance** shall be issued to each mortgagor for the term as specified on each **Notice**. If the **property** described in the **Notice** is also covered by other insurance that terminates at noon on the inception date of **our** coverage, any insurance described under the **Notice** shall not become effective until such other insurance has terminated.
2. **Insured property or property:** Coverage applies only to eligible real properties for which **you** have requested **we** provide coverage, for which **you** have paid a premium, and in which **you** have an insurable interest as mortgagee, or as the servicing agent for the mortgagee by written agreement.
3. **Limit of liability:** Even if more than one person has an insurable interest in the **property** described in a **Notice**, the maximum limit of **our** liability shall not exceed the lesser of:
 - a. **Your insurable interest** in the **property** covered; or
 - b. The applicable limit of recovery.
4. **Coverage provided:** This **policy** insures against direct physical loss or damage to **insured property**. All coverages, terms and conditions for residential **property** are as set forth in this **policy** in Section II - Residential Property Coverage. All coverages, terms and conditions for commercial **property** are as set forth in this **policy** in Section III - Commercial Property Coverage.
5. **Limit of recovery:** **Our** liability shall not exceed the lesser of the following after application of the deductible:
 - a. The maximum limit of liability as stated in the Mortgage Security Master Policy Declarations or by separate endorsement;
 - b. The limit of liability as shown in the **Mortgagor's Notice of Insurance**;
 - c. The amounts described in Section II - Residential Property Coverage, Loss Settlement or Section III - Commercial Property Coverage, Loss Settlement of this **policy**.
6. **Deductible:** For each loss covered under this **policy**, **we** shall be liable for loss only in excess of the appropriate deductible(s) specified in the Mortgage Security Master Policy Declarations or by separate endorsement.
7. **Request for coverage, effective date and amount of your insurable interest:** **You** shall request coverage on any real property in which **you** have an insurable interest as soon as **you** are notified that such property is uninsured. **Your** failure to request coverage within sixty (60) days of such notification constitutes a waiver of coverage and **we** shall not be obligated to issue a **Mortgagor's Notice of Insurance** for that property. To request coverage, **you** must provide written notice to **us** containing the following information: loan number, name and address of mortgagor, address of property to be insured, class of property, effective date and amount of **your insurable interest**. If **we** issue a **Notice**, coverage shall be effective the latter of:
 - a. The effective date requested by **you**;
 - b. The date of **your** facsimile request; or
 - c. The postmark date on **your** envelope if mailed.

8. **Concealment, Misrepresentation or Fraud:** This **policy** is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by **you** or any other insured, at any time, concerning:
- This **policy**;
 - The **insured property**;
 - Your** interest in **insured property**; or
 - A claim under this **policy** or any **Mortgagor's Notice of Insurance**.
9. **Other insurance:** THIS INSURANCE IS EXCESS INSURANCE. If there is any other valid and collectible insurance, which would attach if the insurance provided under this **policy** had not been effected, this insurance shall apply only as excess insurance and in no event as contributing insurance, and then only after all other insurance has been exhausted. Other valid and collectible insurance specifically includes, but is not limited to, any policies covering property owned by **you** and policies covering **property** under which payment would not be made to **you** because the deductible or self-insured retention exceeds the amount of a loss. Receipt of proof of other insurance by **us** will be considered a request of the **named insured** to cancel the **Mortgagor's Notice of Insurance**.
10. **Effect of loss on limits of recovery:** A loss to **insured property** reduces the limits of recovery by the amount of loss. Upon repair or replacement of **insured property**, the limits of recovery will return to their original amount.
11. **Salvage or recovery:** When, in connection with any loss covered by this **policy**, any salvage or recovery is received subsequent to the payment of such loss, the loss shall be refigured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the amount of loss was originally determined. Any amounts thus found to be due any party shall be promptly paid.
12. **Your duties and the mortgagor's duties after loss:** In case of a loss to which this insurance may apply, **our** liability for the payment of any loss is conditioned upon the performance by **you** or the mortgagor of the following duties:
- Provide **us** immediate written notice.
 - Protect **insured property** from further damage, including making all necessary and reasonable repairs to protect **insured property** from further damage, and keep an accurate record of all repair expenditures. If **you** or the mortgagor fail to do so, **we** will not pay for any further damage. **We** will not reimburse for the costs of repairs unless records and receipts are provided.
 - In the event of a loss by theft, vandalism or malicious mischief, report the occurrence to the police immediately and provide a copy of the police report to **us**.
 - Make a list of all damaged or destroyed **insured property** showing in detail quantities, costs, actual cash value, amount of loss claimed and any other information **we** may require. Attach all bills, receipts and related documents that substantiate the amounts in the list.
 - Send to **us** within 60 days after loss the list described in 12(d), a proof of loss signed and sworn to by **you** and the mortgagor, including:
 - The time and cause of loss;
 - The interest of **you**, the mortgagor and all others in **insured property**;
 - All encumbrances on **insured property**;
 - Other insurance that may cover the loss;
 - Changes in title, use, occupancy or possession of **insured property**; and
 - If required, any plans and specification of the damaged buildings.
 - Show the damaged **property** to **us** or **our** representative as often as may be required.
 - As often as **we** may require, submit to examinations under oath by any person named by **us** and sign the transcript of the examinations.
 - Produce for examination, with permission to copy, all records and documents that **we** may require.
13. **Appraisal:** If **you** and **we** fail to agree on the amount of loss, either can demand that the amount of the loss be set by appraisal. Upon written demand, each party shall select a competent, independent appraiser and notify the other of the selected appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. The appraisers shall then set the amount of the loss. If the two appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge or a court of record in the state where the **property** is located to select an umpire. If the appraisers submit a written report of agreement to **us**, the amount agreed upon by the appraisers shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of the selected appraisers or umpire shall set the amount of the loss. Each party shall pay the appraiser they selected. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by **you** and **us**.
14. **Subrogation:** Before a loss occurs, **you** or the mortgagor may waive in writing all rights of recovery against any person. If not waived, **we** may require an assignment of rights of recovery for a loss up to the amount of any payment made by **us**. If an assignment is sought, **you** and the mortgagor shall cooperate with **us**, including signing and delivering to **us** all related papers.
15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
- There has been full compliance with all the terms of this **policy**; and
 - The action is brought within 2 years after **you** first have knowledge of the loss.
16. **Loss payment:**
- In the event of loss or damage covered by this **policy**, at **our** option, **we** will either:
 - Pay the value of lost or damaged **property**;
 - Pay the cost of repairing or replacing the lost or damaged **property**;
 - Take all or any part of **insured property** at an agreed or appraised value; or
 - Repair, rebuild or replace the **property** with other **property** of like kind and quality.

- b. **We** will give notice of **our** intentions within 30 days after **we** receive the sworn statement of loss.
 - c. **We** will not pay **you** more than **your insurable interest** in the covered **property**.
 - d. **We** may adjust losses with the owners of lost or damaged **property** if other than **you**. If **we** pay the owners, such payments will satisfy **your** claims against **us** for the owners' **property**. **We** will not pay the owners more than their financial interest in the **insured property**.
 - e. **We** will pay for covered loss or damage within 30 days after **we** receive the sworn statement of loss, if:
 - (1) **You** have complied with all of the terms of this **policy**; and
 - (2) **We** have reached agreement with **you** on the amount of loss or the amount of loss has been established by appraisal.
17. **Abandonment of property:** **We** need not accept any **property** abandoned by **you** or the mortgagor.
18. **No benefit to bailee:** Regardless of any other provision of this **policy**, **we** will not honor an assignment nor extend coverage to a bailee. A bailee is a person or entity to whom **you** or the mortgagor have given possession of **insured property**.
19. **Liberalization clause:** If, within 60 days prior to or during the term of a **Mortgagor's Notice of Insurance**, **we** adopt any revision to these General Provisions which would broaden the coverage under the terms set forth in any of the General Provisions without requiring the payment of additional premium, the broadened coverage will immediately apply to any **Notice** issued under this **policy**.
20. **Waiver or change of policy provisions:** A waiver or change of any provision of this **policy** must be in writing and signed by **us** to be valid.
21. **Assignment:** Assignment of this **policy** or any **Mortgagor's Notice of Insurance** shall not be valid unless **we** give **our** prior written consent to the assignment.
22. **Your interest:**
- a. **Your** interest will not be impaired by any act or neglect of the mortgagor, provided **you**:
 - (1) Notify **us** of any change in occupancy, ownership or substantial change in risk as soon as **you** become aware of such change; and
 - (2) Pay any premium when due under this **policy**.
 - b. If **we** pay **you** for any loss and do not pay the mortgagor:
 - (1) **We** are subrogated to all of **your** rights granted under the mortgage on **insured property** and may require a partial assignment of the mortgage to the extent of payment made; or
 - (2) At **our** option, **we** may pay **you** the whole principal on the mortgage plus any accrued interest. In this event, and contemporaneously with such payment **you** shall provide to **us** a full assignment and transfer of the mortgage and all collateral for the debt, or **we** may elect to deduct from the payment due to **you** the value of the land as established by appraisal or the tax records of the county where the **property** is located.
- Subrogation will not impair **your** right to recover the full amount of **your** claim.
23. **Reports and premium billings:** Within 10 days of the last day of each month, **you** will provide a complete listing of all properties for which a **Mortgagor's Notice of Insurance** is requested showing loan number, name and address of a mortgagor, address of **insured property**, class of property, coverage effective date, amount of insurance requested, and cancellation date (if applicable). If **you** are required to calculate premium, payment of total net premium is due and payable with this report. If **we** are required to calculate the premium, total net premium shall be due and payable upon notice to **you** of the amount of premium due.
24. **Inspections and surveys:** **We** have the right but are not obligated to:
- a. Make inspections and surveys at any time;
 - b. Give **you** reports on the conditions **we** find; and
 - c. Recommend changes.
- Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. **We** do not make safety inspections. **We** do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. Furthermore, **we** do not warrant that conditions:
- d. Are safe or healthful; or
 - e. Comply with laws, regulations, codes or standards.
- This condition applies not only to **us**, but also to any rating, advisory, rate service or similar organization, which makes insurance inspections, surveys, reports or recommendations.
25. **Examination of your books and records:** **We** shall be permitted at all reasonable times to examine **your** books and records at any time during the currency of this **policy** and within 90 days after cancellation of this **policy**. Within one year after final settlement of any claim **we** shall be permitted at all reasonable times to examine **your** books and records so far as the books and records relate to any payments made because of losses occurring during the term of this **policy**. **We** waive no rights and undertake no responsibility by reason of such examination or the omission thereof. **We** shall also be permitted at all reasonable times to audit **your** records to verify the number of existing loans for which **you** have not received proof of insurance protecting **your** interest and for which **you** should have requested a **Mortgagor's Notice of Insurance** be issued.
26. **Multiple properties:** If there are two or more **insured property(s)** listed in a **Mortgagor's Notice of Insurance**, **we** will pay no more for loss of or damage to such **properties** than a proportionate part of the total outstanding mortgage balance that each **property** represents. Such reduction in coverage is applicable to Coverage A – Dwelling under Section II – Residential Property Coverage or Building(s) Coverage under Section III - Commercial Property Coverage limits of liability. Such proportional reduction in the Coverage A limit of liability will reduce the amount payable for loss provided under Coverage B – Other Structures and the amount payable for loss provided by Demolition and Foreclosure Expense coverage if added by separate endorsement, by the same percentage.
27. a. **Cancellation – Mortgage Security Master Policy:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.

- (2) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
 - (3) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled Cancellation – Mortgagor's Notice of Insurance.
 - (4) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. **Cancellation – Mortgagor's Notice of Insurance:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
 - (2) **We** may cancel any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
 - (3) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
 - (4) Other termination provisions:
 - (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.
28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 30 days before the:
- a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
29. **Premium refunds:**
- a. If either **you** or **we** cancel a **Mortgagor's Notice of Insurance**, **we** will refund the unused portion of the premium computed on a pro rata basis.
 - b. Refunds due **you** on a **Mortgagor's Notice of Insurance** that cancelled due to foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title will be made directly to **you** as soon as practicable after **you** have notified **us** of the date of foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title. Cancellation shall be effective as of such date even if **you** have failed to provide such notice to **us**.
 - c. Refunds of premium other than those described in 29(b) above will be made directly to **you** either at the time cancellation is effected or as soon as practicable after cancellation becomes effective. However, payment or the return of unearned premium is not a consideration of cancellation.

SECTION II – RESIDENTIAL PROPERTY COVERAGE

AGREEMENT

In return for the premium paid and subject to **your** compliance with all applicable provisions of this **policy**, **we** will provide the insurance described in this section.

COVERAGES

This insurance applies to the **property** described in the **Mortgagor's Notice of Insurance** in accordance with the following description(s) of coverage.

COVERAGE A - DWELLING

We cover:

1. The dwelling on the requested **property**, used principally for dwelling purposes;
2. Structures attached to the dwelling;
3. Materials and supplies on or adjacent to the **property** for use in the construction, alteration or repair of the dwelling or other structures on the **property**; and
4. Building equipment and outdoor equipment used for the service of and located on the **property**.

COVERAGE B - OTHER STRUCTURES

We cover other structures on the **property**, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line or similar connection are considered to be other structures. **Our** maximum limit of liability is 10% of the Coverage A - Dwelling limit shown on the **Mortgagor's Notice of Insurance** for loss by a peril insured against to other structures described in this Coverage B. Payment under Coverage B - Other Structures reduces the amount payable for loss under Coverage A - Dwelling.

We do not cover structures:

1. Used in whole or in part for commercial, manufacturing or farming purposes;
2. Rented to or held for rental for any person not a tenant of the dwelling, unless used solely as a private garage; or
3. Such as fences, satellite dishes, antennas or radios and television towers separated from the dwelling.

OTHER COVERAGES

1. **Debris removal:** **We** will pay the reasonable expenses actually incurred for the removal of debris from a **property** following a covered loss. Payment under this coverage reduces the limit of recovery applying to the damaged **property**.
2. **Reasonable repairs:** **We** will pay the reasonable cost for necessary repairs made solely to protect the **property** covered by this section from further damage if the original damage was caused by a peril insured against. Payment under this coverage reduces the limit of recovery that applies to the **property** being repaired.

PROPERTY AND COVERAGES NOT INCLUDED

We do not cover:

1. Land, including land on which the dwelling is located.
2. Personal property, unless added by endorsement.
3. Fair rental value coverage for any part of a dwelling rented or held for rental by the mortgagor, while that part of the dwelling is uninhabitable, unless added by endorsement.
4. Additional living expenses incurred by any mortgagor when a loss caused by a peril insured against makes the **property** unfit for its normal use, unless added by endorsement.
5. Outdoor swimming pools, pumps, heaters and other related equipment.
6. Grass, trees, shrubs, and landscaping of any kind.

PERILS INSURED AGAINST

We insure for risk of direct physical loss to **insured property** under this section **except:**

1. Losses excluded under **EXCLUSIONS**;
2. Freezing of a plumbing, heating, air conditioning system, automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within such system or appliance caused by freezing, while the dwelling is vacant, unoccupied or being constructed unless:
 - a. Heat is maintained in the building; or
 - b. The water supply is shut off and the system and appliances are drained;
3. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to other structures;
4. Theft of any property, which is not actually part of any dwelling or other structure;
5. Theft in or to a dwelling or other structure under construction or renovation. This exclusion remains in effect until the construction or renovation to the dwelling or other structure is complete and the dwelling or other structure is occupied;
6. Wind, hail, ice, snow or sleet to outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers;
7. Continuous or repeated seepage or leakage of water or steam over a period of time from within a plumbing, heating or air conditioning system, or household appliance;
8. Wear and tear, marring, deterioration; inherent vice, latent defect, mechanical breakdown; smog, rust or corrosion, fungus, wet rot, dry rot or bacteria; mold; smoke from agricultural smudging or industrial operation; discharge, dispersal, seepage, migration, release or escape of pollutants.

- Pollutants means 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). If any of these cause water damage not otherwise excluded from a plumbing, heating, air conditioning, automatic fire protective sprinkler system, or household appliance, **we** cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from which the water escaped;
9. Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings. Damage caused by birds, vermin, rodents, insects or domestic animals is also excluded. If any of these cause water damage not otherwise excluded from a plumbing, heating, air conditioning, automatic fire protective sprinkler system, or household appliance, **we** cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from which the water escaped; or
10. Vandalism and malicious mischief to **property** that is vacant or unoccupied unless **you** have secured the **property** and conduct monthly inspections of the interior and exterior. A dwelling being constructed is not considered vacant.

EXCLUSIONS

1. **We** do not cover loss resulting directly or indirectly from any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss:
- a. **Ordinance or law**, meaning the enforcement of any ordinance, regulation or law regulating the construction, repair, demolition, occupancy, sale or relocation of the dwelling or other structure unless specifically provided under this section.
 - b. **Earth movement**, meaning any loss caused by, resulting from, contributed to, or aggravated by:
 - (1) Earthquake, including land shock waves or tremors, before, during or after volcanic eruption;
 - (2) Landslide or mudflow;
 - (3) Earth sinking, rising, or shifting;
 - (4) Settlement or subsidence due to the sinking, shifting or compaction of soil, fill material, or organic matter; or
 - (5) Hydraulic fracturing, commonly known as fracking, meaning the procedure of creating fractures in a rock layer and using pressurized fluid to open and widen the cracks to release and extract:
 - (a) Petroleum;
 - (b) Natural gas; or
 - (c) Other substances.

This includes the process of drilling wellbores.

Earth movement also means volcanic eruption, explosion, or effusion. **We** do cover direct loss caused by **earth movement** for:

 - (1) Fire;
 - (2) Explosion other than the explosion of a volcano;
 - (3) Breakage of glass or safety glazing material which is part of a building, storm door, or storm window; or
 - (4) Theft.
 - c. **Water**, meaning:
 - (1) Flood, surface water, waves, tidal wave or overflow of a body of water; or spray from any of these, whether or not driven by wind;
 - (2) Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
 - (3) Water below the surface of the ground. This includes water, which exerts pressure on or flows, seeps or leaks through a building, sidewalk, driveway, foundation, basement, swimming pool or other structure. Direct loss by fire, explosion or theft resulting from water damage is covered.
 - d. **Fungus, wet rot, dry rot and bacteria**, meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. Fungus means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungus. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning.
 - e. **Neglect**, meaning failure to use all reasonable means to save and preserve **property** at and after the time of a loss, or when **property** is endangered by a peril insured against.
 - f. **War**, including undeclared or civil war, warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign or authority using military personnel or other agents, insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
 - g. **Nuclear hazard**, meaning any nuclear reaction, radiation or radioactive contamination, however caused, whether controlled or uncontrolled, or any consequence of any of these.
 - (1) Loss caused by the nuclear hazard shall not be considered loss caused by fire, explosion or smoke, even if these perils are specifically named in or otherwise included within Section II - Residential Property Coverage, Perils Insured Against.
 - (2) This **policy** does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.
 - h. **Intentional act**, meaning any action taken by or at the direction of **you** or any mortgagor committed with the intent to cause a loss or damage. This exclusion applies even if the person committing the act is insane, intoxicated or otherwise impaired if a person without that impairment would have committed such an act with the intent to cause loss or damage. Any action taken by or at the direction of the mortgagor, without **your** knowledge, shall not bar recovery by **you** as **your interest** may appear.

- i. **Power failure**, meaning the failure of power or other utility service if the failure takes place away from or off of the **insured property**. But if the failure results in a loss caused by a peril insured against on the **insured property**, **we** will pay for the loss caused by the insured peril.
 - j. **Governmental action**, meaning the destruction, confiscation, or seizure of **property** by order of any governmental or public authority. But **we** will pay for acts of destruction ordered by the governmental authority and taken at the time of a fire to prevent its spread, if damage caused by the fire would be covered under this **policy**.
 - k. **Asbestos removal or restoration**, meaning the removal of any asbestos products, asbestos fibers, or asbestos dust and any act of restoring the **property** due to asbestos products, asbestos fibers, or asbestos dust.
2. **We** do not cover loss to **property** described in Coverage A - Dwelling and Coverage B – Other Structures caused by any of the following:
- a. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way to a cause or event excluded in Section II - Residential Property Coverage, Exclusions, Item 1.a. through 1.k. to produce the loss;
 - b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body; or
 - c. **Faulty, inadequate incomplete, or defective**:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, or compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any **property** whether on or off of the **insured property**.
- However, any ensuing loss to **property** described in Coverage A – Dwelling and Coverage B – Other Structures not precluded by any other provision in this **policy** is covered.

OTHER PROVISIONS

1. **Loss Settlement**: Subject to the applicable limit of liability, losses to **insured property** are settled as follows:
 - a. Other structures that are not buildings, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace.
 - b. Roofs (except for fire peril), carpeting, domestic appliances, awnings, outdoor equipment, whether or not attached to buildings, and outdoor antennas, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace.
 - c. Buildings under Coverage A – Dwelling or Coverage B – Other Structures:
 - (1) At repair or replacement cost without deduction for depreciation, but not to exceed the lesser of:
 - (a) The repair or replacement cost of that part of the building damaged using commonly used building materials to place the **property** in a habitable condition for use on the same premises; or
 - (b) The amount actually and necessarily spent to repair or replace the damaged building.
 - (2) When the cost to repair or replace the damage is more than \$1,000 or more than 5% of the dwelling limit of liability as described in the **Mortgagor's Notice of Insurance**, whichever is less, **we** will pay no more than the actual cash value of the damage until actual repair or replacement is completed. **You** may make claim within 180 days after the loss for any additional expenses incurred to repair or replace.

We may at **our** option replace **insured property** with property of similar kind, quality and value. If, as the result of **your** loss, **we** pay in cash or by replacement of the **insured property**, an amount equal to the actual cash value of the **property** before the loss, at **our** option, **we** have the right to take legal title to the **insured property**.
2. **Loss to a pair, set, series of objects, interior or exterior panels**: In the case of loss to part of a pair, set, a series of objects, panels or pieces of panels either interior or exterior, **we** may, at **our** option:
 - a. Repair or replace any part to restore the **insured property** to its actual cash value before the loss;
 - b. Pay the difference between the actual cash value of the **insured property** before and after the loss; or
 - c. Pay the reasonable cost of providing a substitute to match the remainder of the **insured property** as closely as possible.

We do not guarantee the availability of parts or replacements. **We** will not be obligated to repair or replace the entire pair, set, series of objects, panel or piece when only a part is lost or damaged.
3. **Glass Replacement**: Covered loss to glass shall be settled at replacement cost with safety glazing materials when required by ordinance or law.

SECTION III - COMMERCIAL PROPERTY COVERAGE

AGREEMENT

In return for the premium paid and subject to **your** compliance with all applicable provisions of this **policy**, **we** will provide the insurance described in this section.

PROPERTY COVERED

This insurance applies to building(s) in accordance with the following description(s) of coverage. This insurance does not cover land.

Building(s) coverage: Building(s) coverage applies to all structures including all attached additions and extensions; fixtures, constituting a permanent part of the building; yard fixtures; personal property of the mortgagor used for the maintenance or service of the described building(s), including fire extinguishing apparatus, outdoor furniture, floor coverings and appliances for refrigerating, ventilating, cooking, dishwashing and laundering (but not including other personal property in apartments or rooms furnished by the mortgagor as landlord) if located at the **property** described in any **Mortgagor's Notice of Insurance** issued under this section.

Debris removal: We will pay reasonable and necessary expenses **you** incur to remove debris of **insured property** resulting from loss caused by any of the perils insured against in this section. Payment of debris removal expenses reduces the amount of insurance available under building(s) coverage. The total liability under this section for both loss to **property** and debris removal expense shall not exceed the amount of insurance under this section.

PROPERTY NOT COVERED

In addition to ineligible properties as described in this **policy** or as added by separate endorsement, there is no coverage for:

1. Outdoor signs, whether or not attached to a building or structure;
2. Outdoor trees, shrubs and plants; or
3. Outdoor swimming pools, fences, piers, wharves and docks, beach or diving platforms or appurtenances, retaining walls not constituting a part of a building, walks, roadways and other paved surfaces.

PERILS INSURED AGAINST

We insure for direct loss to **insured property** caused by:

1. **Fire or lightning.**
2. **Removal**, meaning loss to **insured property** covered hereunder while being removed from the premises endangered by the perils insured against. The insurance is in effect for only 5 days at each proper place to which such **property** shall necessarily be removed for preservation from the perils insured against. The amount of insurance provided for removal shall be the same proportion as the **insured property** removed bears to all **property** covered by this insurance.
3. **Windstorm or hail**, excluding loss caused directly or indirectly by frost or cold weather, or ice (other than hail), snow or sleet, whether driven by wind or not.
 - a. We shall not be liable for loss to the interior of the building(s) or covered **insured property** therein caused:
 - (1) By rain, snow, sand or dust, whether driven by wind or not unless the covered building(s) or the building containing **insured property** shall first sustain actual damage to roof or walls by the direct action of wind or hail. We shall then be liable for loss to the interior of the building(s) or **insured property** therein as may be caused by rain, snow, sand or dust entering the building(s) through openings in the roof or walls made by direct result of wind or hail; or
 - (2) By water from sprinkler equipment or from other piping, unless such equipment or piping is damaged as a direct result of wind or hail.
 - b. We shall not be liable for windstorm or hail damage to the following **property**:
 - (1) Windmills, wind pumps or their towers;
 - (2) Crop, silos;
 - (3) Metal smokestacks, or
 - (4) When outside of buildings:
 - (a) Awnings of fabric or slat construction, canopies of fabric or slat construction, including their supports;
 - (b) Radio or television antennas, including their lead-in wiring, masts or towers.
4. **Smoke**, meaning sudden and accidental damage from smoke, other than smoke from agricultural smudging or industrial operations.
5. **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. The following are not an explosion within the intent or meaning of this provision:
 - a. Shock waves caused by aircraft, generally known as sonic boom;
 - b. Electric arcing;
 - c. Rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
 - d. Water hammer;
 - e. Rupture or bursting of water pipes;
 - f. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water; or
 - g. Rupture, bursting or operation of pressure relief devices.
6. **Riot attending a strike or civil commotion**, including direct loss by acts of striking employees of the owner or tenant(s) of the covered building(s) while occupied by said striking employees. This also includes direct loss from pillage and looting that occurs during and at the immediate place of a riot attending a strike or civil commotion.
7. **Aircraft or vehicle**, meaning only direct loss resulting from actual physical contact of an aircraft or a vehicle with **insured property** or with the building(s) containing the **property**. Loss by aircraft includes direct loss caused by objects falling therefrom.

We shall not be liable for loss caused by:

 - a. Any vehicle owned or operated by a mortgagor or by any tenant of the **insured property**;
 - b. Any vehicle to fences, driveways, walks; or
 - c. Any aircraft or vehicle including its contents, other than stocks of aircraft or vehicles in the process of manufacture or for sale.

8. **Vandalism or malicious mischief**, meaning the willful and malicious damage to or destruction of **insured property**.

We shall not be liable for loss:

- a. To glass, other than glass building blocks, constituting part of a building, structure or an outside sign;
- b. By pilferage, theft, burglary or larceny, except **we** shall be liable for willful damage to **insured property** caused by burglars in gaining entrance to or exit from the building(s) or any part of the building(s); or
- c. If the **insured property** had been vacant for more than 30 consecutive days immediately preceding the loss, unless **we** had been notified of such vacancy, the appropriate premium had been paid, and **you** had secured the **property** and conducted monthly inspections of the interior and exterior. Vacant means the **insured property** contains no contents or only minimal contents pertaining to operations or activities customary to occupancy of the building.

EXCLUSIONS

1. **We** will not pay for a loss caused directly or indirectly by any of the following and such loss is excluded regardless of whether any other cause or event contributes concurrently or in any sequence to the loss:

- a. **Electrical apparatus**: Meaning any loss resulting from any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated unless fire as insured against ensues.
- b. **Nuclear hazard**: The word "fire" in this section or endorsements attached hereto is not intended to and does not include nuclear reaction or nuclear radiation or radioactive contamination, whether controlled or uncontrolled. Loss by nuclear reaction, nuclear radiation or radioactive contamination is not intended to be and is not insured against under this section or said endorsements, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "fire" or by other perils insured against under this section or said endorsements; however, subject to the foregoing and all provisions of this section, direct loss by "fire" resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against under this section.
- c. **Nuclear exclusion**: This exclusion applies to all perils insured against hereunder except the perils of fire and lightning, which are otherwise provided for in the nuclear hazard above. Loss by nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, is not insured against under this section, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by any of the perils insured against under this section. Nuclear reaction, nuclear radiation or radioactive contamination, whether controlled or uncontrolled are not explosion or smoke.
- d. **Ordinance or law**: The enforcement of any ordinance or law:
 - (1) Regulating the construction, use or repair of any **property**; or
 - (2) Requiring the tearing down of any **property**, including the cost of removing its debris.
- e. **Power failure**: Meaning loss caused directly or indirectly by the interruption of power or other utility service furnished to the **insured property** if the interruption takes place away from the **property**. If a peril insured against ensues on the insured **property**, **we** shall be liable for only the proportion of loss caused by the ensuing peril.
- f. **War and military action**: War, including undeclared or civil war, warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign or authority using military personnel or other agents, or insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
- g. **Water**: meaning:
 - (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
 - (2) Mudslide or mudflow;
 - (3) Water or water-borne material that backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
 - (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, **we** will pay for that resulting loss or damage.

- h. **Fungus, wet rot, dry rot and bacteria**: Meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. **Fungus** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungus. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning.
- i. **Earth movement**: Meaning any loss caused by, resulting from, contributed to, or aggravated by:
 - (1) Earthquake, including land shock waves or tremors, before, during or after volcanic eruption;
 - (2) Landslide or mudflow;
 - (3) Earth sinking, rising, or shifting;
 - (4) Settlement or subsidence due to the sinking, shifting or compaction of soil, fill material, or organic matter; or
 - (5) Hydraulic fracturing, commonly known as fracking, meaning the procedure of creating fractures in a rock layer and using pressurized fluid to open and widen the cracks to release and extract:
 - (a) Petroleum;
 - (b) Natural gas; or
 - (c) Other substances.

This includes the process of drilling wellbores.

Earth movement also means volcanic eruption, explosion, or effusion. **We** do cover direct loss caused by **earth movement** for:

- (1) Fire;
- (2) Explosion other than the explosion of a volcano;
- (3) Breakage of glass or safety glazing material which is part of a building, storm door, or storm window; or
- (4) Theft.

- j. **Volcanic eruption, explosion, or effusion:** But if loss or damage by fire or volcanic action results, **we** will pay for that resulting loss or damage. Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (1) Airborne volcanic blast or airborne shock waves;
- (2) Ash, dust or particulate matter; or
- (3) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence. Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to **insured property**.

- k. **Neglect:** Meaning failure to use all reasonable means to save and preserve **property** at and after the time of loss, or when **property** is endangered by a peril insured against.
- l. **Intentional act:** Meaning any action taken by or at the direction of **you** or any mortgagor committed with the intent to cause a loss or damage. This exclusion applies even if the person committing the act is insane, intoxicated or otherwise impaired if a person without that impairment would have committed such an act with the intent to cause loss or damage. Such an action taken by or at the direction of the mortgagor, without **your** knowledge, shall not bar recovery by **you** as **your** interest may appear.
- m. **Governmental action:** Meaning the seizure or destruction of **property** by order of governmental authority. But **we** will pay for acts of destruction ordered by the governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this **policy**.
- n. **Asbestos removal or restoration:** Meaning the removal of any asbestos products, asbestos fibers, or asbestos dust and any act of restoring the **property** due to asbestos products, asbestos fibers, or asbestos dust.
2. **We** will not pay for loss or damage caused by or resulting from:
- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires. But if loss or damage by fire results, **we** will pay for that resulting loss or damage.
 - b. Rupture or bursting of water pipes (other than automatic sprinkler systems) unless caused by a peril insured against.
 - c. Leakage or discharge of water or steam resulting from the breaking or cracking of any part of a system or appliance containing water or steam (other than an automatic sprinkler system), unless the system or appliance is damaged by a peril insured against.
 - d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by **you** or the mortgagor, or operated under **your** or the mortgagor's control. But if loss or damage by fire or combustion explosion results, **we** will pay for that resulting loss or damage.
 - e. Mechanical breakdown, including rupture or busting caused by centrifugal force. But if loss or damage by a peril insured against results, **we** will pay for that resulting loss or damage.

OTHER PROVISIONS

1. **Loss settlement:** Subject to the applicable limit of liability, **insured property** losses are settled as follows:
 - a. All **property** except tenant's improvements and betterments shall be paid at actual cash value except as provided below or by endorsement.
 - b. Tenant's improvements and betterments:
 - (1) If repaired or replaced at the expense of **you** or the mortgagor within a reasonable time after loss, **our** liability shall be the actual cash value of the damaged or destroyed improvements, not to exceed the limits of liability for this section.
 - (2) If not repaired or replaced at the expense of **you** or the mortgagor within a reasonable time after loss, **our** liability shall be that proportion of the original cost at the time of installation of the damaged or destroyed **property** which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the periods from the date such improvements or betterments were made to the expiration of the lease, not to exceed the limits of liability for this section.
2. **Permits and use:** Except as otherwise provided, permission is granted:
 - a. To make additions, alterations and repairs. This section insofar as it covers building(s) or structure(s), is extended to cover additions, alterations and repairs, when not otherwise covered by insurance, including temporary structures constructed on site, materials, equipment and supplies therefore on or within 100 feet of the **insured property**; and this section, insofar as it covers contents, is extended to cover such additions.
 - b. For such unoccupancy as is usual or incidental to described occupancy. Unoccupied or unoccupancy means containing contents pertaining to occupancy of the building while operations or other customary activities are suspended.
3. **Protective safeguards:** It is a condition of this insurance that **you** and the mortgagor shall maintain so far as is within **your** or the mortgagor's control such protective safeguards as are set forth by endorsement hereto. Failure to maintain such protective safeguards shall suspend this insurance, only for the location or situation affected, for the duration of such discontinuance.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
MOBILE HOME COVERAGE ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that the Mortgage Security Master Policy is extended to provide coverage against direct loss or damage to residential mobile homes in which **you** have an insurable interest and which become uninsured during the term of this **policy**.

The Mortgage Security Master Policy, Section I – General Provisions, Item 2. Insured Property is amended to include “mobile home”. Coverage and loss settlement, if applicable, shall be in accordance with Section II – Residential Property Coverage. This coverage shall not apply to mobile homes used for other than residential purposes.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.		
POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

MORTGAGE SECURITY PROGRAM REAL ESTATE OWNED ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that in consideration of an additional premium paid by the mortgagee and upon the mortgagee's request for coverage, **we** agree to provide coverage as described below for residential or commercial **properties** owned by **you** as a result of foreclosure or voluntary conveyance.

COVERAGE

Coverage shall be effective the latest of either:

1. The date of foreclosure or voluntary conveyance; or
2. The cancellation or expiration date, after foreclosure or voluntary conveyance, of an existing insurance policy when a renewal or replacement policy has not been received by **you** as of that date.

TERM

At **your** option, coverage may be provided for a monthly, quarterly, semi-annual, or annual term.

1. If a monthly term is selected, the following provisions shall apply to all residential and commercial **properties** covered:
 - a. **You** shall maintain and forward a schedule, as defined below, to **us** on a monthly basis listing the location of all **properties** for which this coverage applies and include:
 - (1) Description of each **property** and its occupancy;
 - (2) Address of each **property**;
 - (3) Amount of insurance under this **policy**;
 - (4) Effective date of coverage under this **policy**;
 - (5) Expiration or cancellation date of coverage provided by this **policy**;
 - (6) Number of days coverage is in force under this **policy**;
 - (7) Premium for each entry calculated in accordance with premium tables to be provided by **us**.
 - b. The schedule shall be forwarded to **us** not less than fifteen (15) days after the last day of the month for which coverage applies.
2. If a quarterly, semi-annual, or annual term is selected, the following provisions shall apply to all residential and commercial **properties** covered:
 - a. Coverage shall apply to those **properties** reported to **us** by written application received no later than thirty (30) days after the requested effective date. A Certificate shall be issued for each location of covered **property** for a quarterly, semi-annual or annual term from the date specified by **you**.
 - b. The premium payable for each Certificate shall be calculated according to schedules to be provided by **us**.
3. **You** understand that the premium rate is a monthly per **property** rate and is fully earned at the inception of coverage for each **property**. If a quarterly, semi-annual, or annual term is selected and coverage for a **property** is cancelled mid-term the refund shall be on a pro-rata basis.

LIMITS OF RECOVERY

1. **Our** liability hereunder for loss to any dwelling and other structures shall be per the provisions found in Section II, Residential Property Coverage, and in no event shall exceed the limit of liability on the Mortgage Security Master Policy Declarations.
2. **Our** liability hereunder for loss to any building shall be per the provisions found in Section III – Commercial Property Coverage, and in no event shall exceed the limit of liability on the Mortgage Security Master Policy Declarations.

DEDUCTIBLE

The deductible(s) shown on the Mortgage Security Master Policy Declarations shall apply separately for each loss to each dwelling, other structure, or building.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.

POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY
Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

MORTGAGE SECURITY PROGRAM
WINDSTORM/HAIL AND HURRICANE DEDUCTIBLE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that a minimum deductible of 2% of the Coverage A - Dwelling limit of liability, or the deductible shown on the Mortgage Security Master Policy Declarations, whichever is greater, shall apply to each occurrence caused by the perils of wind, hail, and hurricane.

This deductible applies in the event of direct physical loss to:

- 1. Residential dwellings, including other structures and personal property; and
- 2. Commercial buildings, including business personal property of others.

Such deductible applies regardless of any other cause or event contributing concurrently or in any sequence to the loss; however, this deductible does not apply to loss resulting from rain or wind-driven rain, except rain or wind-driven rain which enters the **insured property** or structure through an opening created by the force of wind, hail, or hurricane.

ALL OTHER PROVISIONS OF THE POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.		
POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
ALABAMA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 14. **Subrogation** is deleted and replaced with the following:

14. **Subrogation:** **You** may waive in writing before a loss all rights of recovery against any person. However, this waiver does not apply if an insured is a victim of domestic abuse as defined in the "Domestic Abuse Insurance Policy Protection Act". In this case, **we** shall be subrogated to the rights of the innocent insured claimant.

In all other cases, if **you** have not waived in writing before a loss all rights of recovery against any other person, **we** may require an assignment of recovery for a loss to the extent that payment is made by **us**. If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with **us**.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal Action Against Us** is deleted and replaced with the following:

15. **Legal Action Against Us:** No legal action can be brought against **us** unless:
- There has been full compliance with all of the terms of this contract; and
 - The action is brought within the time limitations prescribed under Alabama law.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

MORTGAGE SECURITY MASTER POLICY ALASKA

SECTION I - MASTER POLICY

INSURING AGREEMENT

We will pay for direct, sudden and accidental loss to **insured property** caused by the perils insured against, but only if such **property** is described in a **Mortgagor's Notice of Insurance** that was issued prior to the date of loss.

DEFINITIONS

Throughout this **policy**:

1. **You, your** and **named insured** refer to the Financial Institution shown on the Mortgage Security Master Policy Declarations as the Named Insured/Mortgagee.
2. **We, us** and **our**, refer to the Company providing this insurance.
3. **Policy** shall include the Mortgage Security Master Policy, all coverage forms and endorsements attached thereto, and any **Mortgagor's Notice of Insurance** issued pursuant to this **policy**.
4. **Mortgagor's Notice of Insurance** or **Notice** means an individual certificate of insurance providing specific coverage on mortgaged **property** protecting **your** interest as mortgagee. The mortgagor is not a **named insured** under the **policy**.
5. **Insured property** or **property** means real property specifically described in a **Mortgagor's Notice of Insurance** in which **you** have an insurable interest as mortgagee.
6. **Your insurable interest** means **your** interest in the **property** described in a **Mortgagor's Notice of Insurance**. **Your insurable interest** is limited to the net principal balance plus any accrued interest, but exclusive of late fees and other charges, as of the date that any loss is reported to **us**. It would also include the mortgagee interest of others **you** service pursuant to a written servicing agreement.

GENERAL PROVISIONS - APPLICABLE TO SECTION II AND SECTION III

1. **Term of Notice:** Coverage shall apply to those **properties** reported to **us** by written application. A **Mortgagor's Notice of Insurance** shall be issued to each mortgagor for the term as specified on each **Notice**. If the **property** described in the **Notice** is also covered by other insurance that terminates at noon on the inception date of **our** coverage, any insurance described under the **Notice** shall not become effective until such other insurance has terminated.
2. **Insured property or property:** Coverage applies only to eligible real properties for which **you** have requested **we** provide coverage, for which **you** have paid a premium, and in which **you** have an insurable interest as mortgagee, or as the servicing agent for the mortgagee by written agreement.
3. **Limit of liability:** Even if more than one person has an insurable interest in the **property** described in a **Notice**, the maximum limit of **our** liability shall not exceed the lesser of:
 - a. **Your insurable interest** in the **property** covered; or
 - b. The applicable limit of recovery.
4. **Coverage provided:** This **policy** insures against direct physical loss or damage to **insured property**. All coverages, terms and conditions for residential **property** are as set forth in this **policy** in Section II - Residential Property Coverage. All coverages, terms and conditions for commercial **property** are as set forth in this **policy** in Section III - Commercial Property Coverage.
5. **Limit of recovery:** **Our** liability shall not exceed the lesser of the following after application of the deductible:
 - a. The maximum limit of liability as stated in the Mortgage Security Master Policy Declarations or by separate endorsement;
 - b. The limit of liability as shown in the **Mortgagor's Notice of Insurance**;
 - c. The amounts described in Section II - Residential Property Coverage, Loss Settlement or Section III - Commercial Property Coverage, Loss Settlement of this **policy**.
6. **Deductible:** For each loss covered under this **policy**, **we** shall be liable for loss only in excess of the appropriate deductible(s) specified in the Mortgage Security Master Policy Declarations or by separate endorsement.
7. **Request for coverage, effective date and amount of your insurable interest:** **You** shall request coverage on any real property in which **you** have an insurable interest as soon as **you** are notified that such property is uninsured. **Your** failure to request coverage within sixty (60) days of such notification constitutes a waiver of coverage and **we** shall not be obligated to issue a **Mortgagor's Notice of Insurance** for that property. To request coverage, **you** must provide written notice to **us** containing the following information: loan number, name and address of mortgagor, address of property to be insured, class of property, effective date and amount of **your insurable interest**. If **we** issue a **Notice**, coverage shall be effective the latter of:

- a. The effective date requested by **you**;
 - b. The date of **your** facsimile request; or
 - c. The postmark date on **your** envelope if mailed.
8. **Concealment, Misrepresentation or Fraud:** This **policy** is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by **you** or any other insured, at any time, concerning:
- a. This **policy**;
 - b. The **insured property**;
 - c. **Your** interest in **insured property**; or
 - d. A claim under this **policy** or any **Mortgagor's Notice of Insurance**.
9. **Other insurance:** THIS INSURANCE IS EXCESS INSURANCE. If there is any other valid and collectible insurance, which would attach if the insurance provided under this **policy** had not been effected, this insurance shall apply only as excess insurance and in no event as contributing insurance, and then only after all other insurance has been exhausted. Other valid and collectible insurance specifically includes, but is not limited to, any policies covering property owned by **you** and policies covering **property** under which payment would not be made to **you** because the deductible or self-insured retention exceeds the amount of a loss. Receipt of proof of other insurance by **us** will be considered a request of the **named insured** to cancel the **Mortgagor's Notice of Insurance**.
10. **Effect of loss on limits of recovery:** A loss to **insured property** reduces the limits of recovery by the amount of loss. Upon repair or replacement of **insured property**, the limits of recovery will return to their original amount.
11. **Salvage or recovery:** When, in connection with any loss covered by this **policy**, any salvage or recovery is received subsequent to the payment of such loss, the loss shall be refigured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the amount of loss was originally determined. Any amounts thus found to be due any party shall be promptly paid.
12. **Your duties and the mortgagor's duties after loss:** In case of a loss to which this insurance may apply, **our** liability for the payment of any loss is conditioned upon the performance by **you** or the mortgagor of the following duties:
- a. Provide **us** immediate written notice.
 - b. Protect **insured property** from further damage, including making all necessary and reasonable repairs to protect **insured property** from further damage, and keep an accurate record of all repair expenditures. If **you** or the mortgagor fail to do so, **we** will not pay for any further damage. **We** will not reimburse for the costs of repairs unless records and receipts are provided.
 - c. In the event of a loss by theft, vandalism or malicious mischief, report the occurrence to the police immediately and provide a copy of the police report to **us**.
 - d. Make a list of all damaged or destroyed **insured property** showing in detail quantities, costs, actual cash value, amount of loss claimed and any other information **we** may require. Attach all bills, receipts and related documents that substantiate the amounts in the list.
 - e. Send to **us** within 60 days after loss the list described in 12(d), a proof of loss signed and sworn to by **you** and the mortgagor, including:
 - (1) The time and cause of loss;
 - (2) The interest of **you**, the mortgagor and all others in **insured property**;
 - (3) All encumbrances on **insured property**;
 - (4) Other insurance that may cover the loss;
 - (5) Changes in title, use, occupancy or possession of **insured property**; and
 - (6) If required, any plans and specification of the damaged buildings.
 - f. Show the damaged **property** to **us** or **our** representative as often as may be required.
 - g. As often as **we** may require, submit to examinations under oath by any person named by **us** and sign the transcript of the examinations.
 - h. Produce for examination, with permission to copy, all records and documents that **we** may require.
13. **Appraisal:** If **you** and **we** fail to agree on the amount of loss, either can demand that the amount of the loss be set by appraisal. Upon written demand, each party shall select a competent, independent appraiser and notify the other of the selected appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. The appraisers shall then set the amount of the loss. If the two appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge or a court of record in the state where the **property** is located to select an umpire. If the appraisers submit a written report of agreement to **us**, the amount agreed upon by the appraisers shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of the selected appraisers or umpire shall set the amount of the loss. Each party shall pay the appraiser they selected. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by **you** and **us**.
14. **Subrogation:** Before a loss occurs, **you** or the mortgagor may waive in writing all rights of recovery against any person. If not waived, **we** may require an assignment of rights of recovery for a loss up to the amount of any payment made by **us**. If an assignment is sought, **you** and the mortgagor shall cooperate with **us**, including signing and delivering to **us** all related papers.
15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
- a. There has been full compliance with all the terms of this **policy**; and
 - b. The action is brought within 2 years after **you** first have knowledge of the loss.
16. **Loss payment:**
- a. In the event of loss or damage covered by this **policy**, at **our** option, **we** will either:
 - (1) Pay the value of lost or damaged **property**;
 - (2) Pay the cost of repairing or replacing the lost or damaged **property**;
 - (3) Take all or any part of **insured property** at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the **property** with other **property** of like kind and quality.

- b. **We** will give notice of **our** intentions within 30 days after **we** receive the sworn statement of loss.
 - c. **We** will not pay **you** more than **your insurable interest** in the covered **property**.
 - d. **We** may adjust losses with the owners of lost or damaged **property** if other than **you**. If **we** pay the owners, such payments will satisfy **your** claims against **us** for the owners' **property**. **We** will not pay the owners more than their financial interest in the **insured property**.
 - e. **We** will pay for covered loss or damage within 30 days after **we** receive the sworn statement of loss, if:
 - (1) **You** have complied with all of the terms of this **policy**; and
 - (2) **We** have reached agreement with **you** on the amount of loss or the amount of loss has been established by appraisal.
17. **Abandonment of property:** **We** need not accept any **property** abandoned by **you** or the mortgagor.
18. **No benefit to bailee:** Regardless of any other provision of this **policy**, **we** will not honor an assignment nor extend coverage to a bailee. A bailee is a person or entity to whom **you** or the mortgagor have given possession of **insured property**.
19. **Liberalization clause:** If, within 60 days prior to or during the term of a **Mortgagor's Notice of Insurance**, **we** adopt any revision to these General Provisions which would broaden the coverage under the terms set forth in any of the General Provisions without requiring the payment of additional premium, the broadened coverage will immediately apply to any **Notice** issued under this **policy**.
20. **Waiver or change of policy provisions:** A waiver or change of any provision of this **policy** must be in writing and signed by **us** to be valid.
21. **Assignment:** Assignment of this **policy** or any **Mortgagor's Notice of Insurance** shall not be valid unless **we** give **our** prior written consent to the assignment.
22. **Your interest:**
- a. **Your** interest will not be impaired by any act or neglect of the mortgagor, provided **you**:
 - (1) Notify **us** of any change in occupancy, ownership or substantial change in risk as soon as **you** become aware of such change; and
 - (2) Pay any premium when due under this **policy**.
 - b. If **we** pay **you** for any loss and do not pay the mortgagor:
 - (1) **We** are subrogated to all of **your** rights granted under the mortgage on **insured property** and may require a partial assignment of the mortgage to the extent of payment made; or
 - (2) At **our** option, **we** may pay **you** the whole principal on the mortgage plus any accrued interest. In this event, and contemporaneously with such payment **you** shall provide to **us** a full assignment and transfer of the mortgage and all collateral for the debt, or **we** may elect to deduct from the payment due to **you** the value of the land as established by appraisal or the tax records of the county where the **property** is located.
- Subrogation will not impair **your** right to recover the full amount of **your** claim.
23. **Reports and premium billings:** Within 10 days of the last day of each month, **you** will provide a complete listing of all properties for which a **Mortgagor's Notice of Insurance** is requested showing loan number, name and address of a mortgagor, address of **insured property**, class of property, coverage effective date, amount of insurance requested, and cancellation date (if applicable). If **you** are required to calculate premium, payment of total net premium is due and payable with this report. If **we** are required to calculate the premium, total net premium shall be due and payable upon notice to **you** of the amount of premium due.
24. **Inspections and surveys:** **We** have the right but are not obligated to:
- a. Make inspections and surveys at any time;
 - b. Give **you** reports on the conditions **we** find; and
 - c. Recommend changes.
- Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. **We** do not make safety inspections. **We** do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. Furthermore, **we** do not warrant that conditions:
- d. Are safe or healthful; or
 - e. Comply with laws, regulations, codes or standards.
- This condition applies not only to **us**, but also to any rating, advisory, rate service or similar organization, which makes insurance inspections, surveys, reports or recommendations.
25. **Examination of your books and records:** **We** shall be permitted at all reasonable times to examine **your** books and records at any time during the currency of this **policy** and within 90 days after cancellation of this **policy**. Within one year after final settlement of any claim **we** shall be permitted at all reasonable times to examine **your** books and records so far as the books and records relate to any payments made because of losses occurring during the term of this **policy**. **We** waive no rights and undertake no responsibility by reason of such examination or the omission thereof. **We** shall also be permitted at all reasonable times to audit **your** records to verify the number of existing loans for which **you** have not received proof of insurance protecting **your** interest and for which **you** should have requested a **Mortgagor's Notice of Insurance** be issued.
26. **Multiple properties:** If there are two or more **insured property(s)** listed in a **Mortgagor's Notice of Insurance**, **we** will pay no more for loss of or damage to such **properties** than a proportionate part of the total outstanding mortgage balance that each **property** represents. Such reduction in coverage is applicable to Coverage A – Dwelling under Section II – Residential Property Coverage or Building(s) Coverage under Section III - Commercial Property Coverage limits of liability. Such proportional reduction in the Coverage A limit of liability will reduce the amount payable for loss provided under Coverage B – Other Structures and the amount payable for loss provided by Demolition and Foreclosure Expense coverage if added by separate endorsement, by the same percentage.
27. a. **Cancellation – Mortgage Security Master Policy:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.

- (2) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
 - (3) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled Cancellation – Mortgagor's Notice of Insurance.
 - (4) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. **Cancellation – Mortgagor's Notice of Insurance:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
 - (2) **We** may cancel any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
 - (3) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
 - (4) Other termination provisions:
 - (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.
28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 30 days before the:
- a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
29. **Premium refunds:**
- a. If either **you** or **we** cancel a **Mortgagor's Notice of Insurance**, **we** will refund the unused portion of the premium computed on a pro rata basis.
 - b. Refunds due **you** on a **Mortgagor's Notice of Insurance** that cancelled due to foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title will be made directly to **you** as soon as practicable after **you** have notified **us** of the date of foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title. Cancellation shall be effective as of such date even if **you** have failed to provide such notice to **us**.
 - c. Refunds of premium other than those described in 29(b) above will be made directly to **you** either at the time cancellation is effected or as soon as practicable after cancellation becomes effective. However, payment or the return of unearned premium is not a consideration of cancellation.

SECTION II – RESIDENTIAL PROPERTY COVERAGE

AGREEMENT

In return for the premium paid and subject to **your** compliance with all applicable provisions of this **policy**, **we** will provide the insurance described in this section.

COVERAGES

This insurance applies to the **property** described in the **Mortgagor's Notice of Insurance** in accordance with the following description(s) of coverage.

COVERAGE A – DWELLING

We cover:

1. The dwelling on the requested **property**, used principally for dwelling purposes;
2. Structures attached to the dwelling;
3. Materials and supplies on or adjacent to the **property** for use in the construction, alteration or repair of the dwelling or other structures on the **property**; and
4. Building equipment and outdoor equipment used for the service of and located on the **property**.

COVERAGE B - OTHER STRUCTURES

We cover other structures on the **property**, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line or similar connection, are considered to be other structures. **Our** maximum limit of liability is 10% of the Coverage A - Dwelling limit shown on the **Mortgagor's Notice of Insurance** for loss by a peril insured against to other structures described in this Coverage B. Payment under Coverage B - Other Structures reduces the amount payable for loss under Coverage A – Dwelling.

We do not cover structures:

1. Used in whole or in part for commercial, manufacturing or farming purposes;
2. Rented to or held for rental for any person not a tenant of the dwelling, unless used solely as a private garage; or
3. Such as fences, satellite dishes, antennas or radios and television towers separated from the dwelling.

OTHER COVERAGES

1. **Debris removal:** **We** will pay the reasonable expenses actually incurred for the removal of debris from a **property** following a covered loss. Payment under this coverage reduces the limit of recovery applying to the damaged **property**.
2. **Reasonable repairs:** **We** will pay the reasonable cost for necessary repairs made solely to protect the **property** covered by this section from further damage if the original damage was caused by a peril insured against. Payment under this coverage reduces the limit of recovery that applies to the **property** being repaired.

PROPERTY AND COVERAGES NOT INCLUDED

We do not cover:

1. Land, including land on which the dwelling is located.
2. Personal property, unless added by endorsement.
3. Fair rental value coverage for any part of a dwelling rented or held for rental by the mortgagor, while that part of the dwelling is uninhabitable, unless added by endorsement.
4. Additional living expenses incurred by any mortgagor when a loss caused by a peril insured against makes the **property** unfit for its normal use, unless added by endorsement.
5. Outdoor swimming pools, pumps, heaters and other related equipment.
6. Grass, trees, shrubs, and landscaping of any kind.

PERILS INSURED AGAINST

We insure for risk of direct physical loss to **insured property** under this section **except**:

1. Losses excluded under **EXCLUSIONS**;
2. Freezing of a plumbing, heating, air conditioning system, automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within such system or appliance caused by freezing, while the dwelling is vacant, unoccupied or being constructed unless:
 - a. Heat is maintained in the building; or
 - b. The water supply is shut off and the system and appliances are drained;
3. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to other structures;
4. Theft of any property, which is not actually part of any dwelling or other structure;
5. Theft in or to a dwelling or other structure under construction or renovation. This exclusion remains in effect until the construction or renovation to the dwelling or other structure is complete and the dwelling or other structure is occupied;
6. Wind, hail, ice, snow or sleet to outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers;
7. Continuous or repeated seepage or leakage of water or steam over a period of time from within a plumbing, heating or air conditioning system, or household appliance;
8. Wear and tear, marring, deterioration; inherent vice, latent defect, mechanical breakdown; smog, rust or corrosion, fungus, wet rot, dry rot or bacteria; mold; smoke from agricultural smudging or industrial operation; discharge, dispersal, seepage, migration, release or escape of pollutants.

- Pollutants means 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). If any of these cause water damage not otherwise excluded from a plumbing, heating, air conditioning, automatic fire protective sprinkler system, or household appliance, **we** cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from which the water escaped;
9. Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings. Damage caused by birds, vermin, rodents, insects or domestic animals is also excluded. If any of these cause water damage not otherwise excluded from a plumbing, heating, air conditioning, automatic fire protective sprinkler system, or household appliance, **we** cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from which the water escaped; or
10. Vandalism and malicious mischief to **property** that is vacant or unoccupied unless **you** have secured the **property** and conduct monthly inspections of the interior and exterior. A dwelling being constructed is not considered vacant.

EXCLUSIONS

1. **We** do not cover loss resulting directly or indirectly from any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss:
- a. **Ordinance or law**, meaning the enforcement of any ordinance, regulation or law regulating the construction, repair, demolition, occupancy, sale or relocation of the dwelling or other structure unless specifically provided under this section.
 - b. **Earth movement**, meaning any loss caused by, resulting from, contributed to, or aggravated by:
 - (1) Earthquake, including land shock waves or tremors, before, during or after volcanic eruption;
 - (2) Landslide or mudflow;
 - (3) Earth sinking, rising, or shifting;
 - (4) Settlement or subsidence due to the sinking, shifting or compaction of soil, fill material, or organic matter; or
 - (5) Hydraulic fracturing, commonly known as fracking, meaning the procedure of creating fractures in a rock layer and using pressurized fluid to open and widen the cracks to release and extract:
 - (a) Petroleum;
 - (b) Natural gas; or
 - (c) Other substances.

This includes the process of drilling wellbores.

Earth movement also means volcanic eruption, explosion, or effusion. **We** do cover direct loss caused by **earth movement** for:

- (1) Fire;
 - (2) Explosion other than the explosion of a volcano;
 - (3) Breakage of glass or safety glazing material which is part of a building, storm door, or storm window; or
 - (4) Theft.
- c. **Water**, meaning:
 - (1) Flood, surface water, waves, tidal wave or overflow of a body of water; or spray from any of these, whether or not driven by wind;
 - (2) Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
 - (3) Water below the surface of the ground. This includes water, which exerts pressure on or flows, seeps or leaks through a building, sidewalk, driveway, foundation, basement, swimming pool or other structure. Direct loss by fire, explosion or theft resulting from water damage is covered.
 - d. **Fungus, wet rot, dry rot and bacteria**, meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. Fungus means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungus. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning.
 - e. **Neglect**, meaning failure to use all reasonable means to save and preserve **property** at and after the time of a loss, or when **property** is endangered by a peril insured against.
 - f. **War**, including undeclared or civil war, warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign or authority using military personnel or other agents, insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
 - g. **Nuclear hazard**, meaning any nuclear reaction, radiation or radioactive contamination, however caused, whether controlled or uncontrolled, or any consequence of any of these.
 - (1) Loss caused by the nuclear hazard shall not be considered loss caused by fire, explosion or smoke, even if these perils are specifically named in or otherwise included within Section II - Residential Property Coverage, Perils Insured Against.
 - (2) This **policy** does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.
 - h. **Intentional act**, meaning any action taken by or at the direction of **you** or any mortgagor committed with the intent to cause a loss or damage. This exclusion applies even if the person committing the act is insane, intoxicated or otherwise impaired if a person without that impairment would have committed such an act with the intent to cause loss or damage. Any action taken by or at the direction of the mortgagor, without **your** knowledge, shall not bar recovery by **you** as **your interest** may appear.

- i. **Power failure**, meaning the failure of power or other utility service if the failure takes place away from or off of the **insured property**. But if the failure results in a loss caused by a peril insured against on the **insured property**, **we** will pay for the loss caused by the insured peril.
 - j. **Governmental action**, meaning the destruction, confiscation, or seizure of **property** by order of any governmental or public authority. But **we** will pay for acts of destruction ordered by the governmental authority and taken at the time of a fire to prevent its spread, if damage caused by the fire would be covered under this **policy**.
 - k. **Asbestos removal or restoration**, meaning the removal of any asbestos products, asbestos fibers, or asbestos dust and any act of restoring the **property** due to asbestos products, asbestos fibers, or asbestos dust.
2. **We** do not cover loss to **property** described in Coverage A - Dwelling and Coverage B – Other Structures caused by any of the following:
- a. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way to a cause or event excluded in Section II - Residential Property Coverage, Exclusions, Item 1.a. through 1.k. to produce the loss;
 - b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body; or
 - c. **Faulty, inadequate incomplete, or defective**:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, or compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any **property** whether on or off of the **insured property**.
- However, any ensuing loss to **property** described in Coverage A – Dwelling and Coverage B – Other Structures not precluded by any other provision in this **policy** is covered.

OTHER PROVISIONS

1. **Loss Settlement**: Subject to the applicable limit of liability, losses to **insured property** are settled as follows:
- a. Other structures that are not buildings, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace.
 - b. Roofs (except for fire peril), carpeting, domestic appliances, awnings, outdoor equipment, whether or not attached to buildings, and outdoor antennas, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace.
 - c. Buildings under Coverage A – Dwelling or Coverage B – Other Structures:
 - (1) At repair or replacement cost without deduction for depreciation, but not to exceed the lesser of:
 - (a) The repair or replacement cost of that part of the building damaged using commonly used building materials to place the **property** in a habitable condition for use on the same premises; or
 - (b) The amount actually and necessarily spent to repair or replace the damaged building.
 - (2) When the cost to repair or replace the damage is more than \$1,000 or more than 5% of the dwelling limit of liability as described in the **Mortgagor's Notice of Insurance**, whichever is less, **we** will pay no more than the actual cash value of the damage until actual repair or replacement is completed. **You** may make claim within 180 days after the loss for any additional expenses incurred to repair or replace.
- We** may at **our** option replace **insured property** with property of similar kind, quality and value. If, as the result of **your** loss, **we** pay in cash or by replacement of the **insured property**, an amount equal to the actual cash value of the **property** before the loss, at **our** option, **we** have the right to take legal title to the **insured property**.
2. **Loss to a pair, set, series of objects, interior or exterior panels**: In the case of loss to part of a pair, set, a series of objects, panels or pieces of panels either interior or exterior, **we** may, at **our** option:
- a. Repair or replace any part to restore the **insured property** to its actual cash value before the loss;
 - b. Pay the difference between the actual cash value of the **insured property** before and after the loss; or
 - c. Pay the reasonable cost of providing a substitute to match the remainder of the **insured property** as closely as possible.
- We** do not guarantee the availability of parts or replacements. **We** will not be obligated to repair or replace the entire pair, set, series of objects, panel or piece when only a part is lost or damaged.
3. **Glass Replacement**: Covered loss to glass shall be settled at replacement cost with safety glazing materials when required by ordinance or law.

SECTION III - COMMERCIAL PROPERTY COVERAGE

AGREEMENT

In return for the premium paid and subject to **your** compliance with all applicable provisions of this **policy**, **we** will provide the insurance described in this section.

PROPERTY COVERED

This insurance applies to building(s) in accordance with the following description(s) of coverage. This insurance does not cover land.

Building(s) coverage: Building(s) coverage applies to all structures including all attached additions and extensions; fixtures, constituting a permanent part of the building; yard fixtures; personal property of the mortgagor used for the maintenance or service of the described building(s), including fire extinguishing apparatus, outdoor furniture, floor coverings and appliances for refrigerating, ventilating, cooking, dishwashing and laundering (but not including other personal property in apartments or rooms furnished by the mortgagor as landlord) if located at the **property** described in any **Mortgagor's Notice of Insurance** issued under this section.

Debris removal: We will pay reasonable and necessary expenses **you** incur to remove debris of **insured property** resulting from loss caused by any of the perils insured against in this section. Payment of debris removal expenses reduces the amount of insurance available under building(s) coverage. The total liability under this section for both loss to **property** and debris removal expense shall not exceed the amount of insurance under this section.

PROPERTY NOT COVERED

In addition to ineligible properties as described in this **policy** or as added by separate endorsement, there is no coverage for:

1. Outdoor signs, whether or not attached to a building or structure;
2. Outdoor trees, shrubs and plants; or
3. Outdoor swimming pools, fences, piers, wharves and docks, beach or diving platforms or appurtenances, retaining walls not constituting a part of a building, walks, roadways and other paved surfaces.

PERILS INSURED AGAINST

We insure for direct loss to **insured property** caused by:

1. **Fire or lightning.**
2. **Removal**, meaning loss to **insured property** covered hereunder while being removed from the premises endangered by the perils insured against. The insurance is in effect for only 5 days at each proper place to which such **property** shall necessarily be removed for preservation from the perils insured against. The amount of insurance provided for removal shall be the same proportion as the **insured property** removed bears to all **property** covered by this insurance.
3. **Windstorm or hail**, excluding loss caused directly or indirectly by frost or cold weather, or ice (other than hail), snow or sleet, whether driven by wind or not.
 - a. We shall not be liable for loss to the interior of the building(s) or covered **insured property** therein caused:
 - (1) By rain, snow, sand or dust, whether driven by wind or not unless the covered building(s) or the building containing **insured property** shall first sustain actual damage to roof or walls by the direct action of wind or hail. We shall then be liable for loss to the interior of the building(s) or **insured property** therein as may be caused by rain, snow, sand or dust entering the building(s) through openings in the roof or walls made by direct result of wind or hail; or
 - (2) By water from sprinkler equipment or from other piping, unless such equipment or piping is damaged as a direct result of wind or hail.
 - b. We shall not be liable for windstorm or hail damage to the following **property**:
 - (1) Windmills, wind pumps or their towers;
 - (2) Crop, silos;
 - (3) Metal smokestacks, or
 - (4) When outside of buildings:
 - (a) Awnings of fabric or slat construction, canopies of fabric or slat construction, including their supports;
 - (b) Radio or television antennas, including their lead-in wiring, masts or towers.
4. **Smoke**, meaning sudden and accidental damage from smoke, other than smoke from agricultural smudging or industrial operations.
5. **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. The following are not an explosion within the intent or meaning of this provision:
 - a. Shock waves caused by aircraft, generally known as sonic boom;
 - b. Electric arcing;
 - c. Rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
 - d. Water hammer;
 - e. Rupture or bursting of water pipes;
 - f. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water; or
 - g. Rupture, bursting or operation of pressure relief devices.
6. **Riot attending a strike or civil commotion**, including direct loss by acts of striking employees of the owner or tenant(s) of the covered building(s) while occupied by said striking employees. This also includes direct loss from pillage and looting that occurs during and at the immediate place of a riot attending a strike or civil commotion.
7. **Aircraft or vehicle**, meaning only direct loss resulting from actual physical contact of an aircraft or a vehicle with **insured property** or with the building(s) containing the **property**. Loss by aircraft includes direct loss caused by objects falling therefrom.

We shall not be liable for loss caused by:

 - a. Any vehicle owned or operated by a mortgagor or by any tenant of the **insured property**;
 - b. Any vehicle to fences, driveways, walks; or
 - c. Any aircraft or vehicle including its contents, other than stocks of aircraft or vehicles in the process of manufacture or for sale.
8. **Vandalism or malicious mischief**, meaning the willful and malicious damage to or destruction of **insured property**.

We shall not be liable for loss:

 - a. To glass, other than glass building blocks, constituting part of a building, structure or an outside sign;
 - b. By pilferage, theft, burglary or larceny, except we shall be liable for willful damage to **insured property** caused by burglars in gaining entrance to or exit from the building(s) or any part of the building(s); or

- c. If the **insured property** had been vacant for more than 30 consecutive days immediately preceding the loss, unless **we** had been notified of such vacancy, the appropriate premium had been paid, and **you** had secured the **property** and conducted monthly inspections of the interior and exterior. Vacant means the **insured property** contains no contents or only minimal contents pertaining to operations or activities customary to occupancy of the building.

EXCLUSIONS

1. **We** will not pay for a loss caused directly or indirectly by any of the following and such loss is excluded regardless of whether any other cause or event contributes concurrently or in any sequence to the loss:
- a. **Electrical apparatus:** Meaning any loss resulting from any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated unless fire as insured against ensues.
 - b. **Nuclear hazard:** The word "fire" in this section or endorsements attached hereto is not intended to and does not include nuclear reaction or nuclear radiation or radioactive contamination, whether controlled or uncontrolled. Loss by nuclear reaction, nuclear radiation or radioactive contamination is not intended to be and is not insured against under this section or said endorsements, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "fire" or by other perils insured against under this section or said endorsements; however, subject to the foregoing and all provisions of this section, direct loss by "fire" resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against under this section.
 - c. **Nuclear exclusion:** This exclusion applies to all perils insured against hereunder except the perils of fire and lightning, which are otherwise provided for in the nuclear hazard above. Loss by nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, is not insured against under this section, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by any of the perils insured against under this section. Nuclear reaction, nuclear radiation or radioactive contamination, whether controlled or uncontrolled are not explosion or smoke.
 - d. **Ordinance or law:** The enforcement of any ordinance or law:
 - (1) Regulating the construction, use or repair of any **property**; or
 - (2) Requiring the tearing down of any **property**, including the cost of removing its debris.
 - e. **Power failure:** Meaning loss caused directly or indirectly by the interruption of power or other utility service furnished to the **insured property** if the interruption takes place away from the **property**. If a peril insured against ensues on the insured **property**, **we** shall be liable for only the proportion of loss caused by the ensuing peril.
 - f. **War and military action:** War, including undeclared or civil war, warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign or authority using military personnel or other agents, or insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
 - g. **Water:** meaning:
 - (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
 - (2) Mudslide or mudflow;
 - (3) Water or water-borne material that backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
 - (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, **we** will pay for that resulting loss or damage.
 - h. **Fungus, wet rot, dry rot and bacteria:** Meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. **Fungus** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungus. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning.
 - i. **Earth movement:** Meaning any loss caused by, resulting from, contributed to, or aggravated by:
 - (1) Earthquake, including land shock waves or tremors, before, during or after volcanic eruption;
 - (2) Landslide or mudflow;
 - (3) Earth sinking, rising, or shifting;
 - (4) Settlement or subsidence due to the sinking, shifting or compaction of soil, fill material, or organic matter; or
 - (5) Hydraulic fracturing, commonly known as fracking, meaning the procedure of creating fractures in a rock layer and using pressurized fluid to open and widen the cracks to release and extract:
 - (a) Petroleum;
 - (b) Natural gas; or
 - (c) Other substances.

This includes the process of drilling wellbores.

Earth movement also means volcanic eruption, explosion, or effusion. **We** do cover direct loss caused by **earth movement** for:

 - (1) Fire;
 - (2) Explosion other than the explosion of a volcano;
 - (3) Breakage of glass or safety glazing material which is part of a building, storm door, or storm window; or
 - (4) Theft.

- j. **Volcanic eruption, explosion, or effusion:** But if loss or damage by fire or volcanic action results, **we** will pay for that resulting loss or damage. Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
 - (1) Airborne volcanic blast or airborne shock waves;
 - (2) Ash, dust or particulate matter; or
 - (3) Lava flow.
 All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence. Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to **insured property**.
 - k. **Neglect:** Meaning failure to use all reasonable means to save and preserve **property** at and after the time of loss, or when **property** is endangered by a peril insured against.
 - l. **Intentional act:** Meaning any action taken by or at the direction of **you** or any mortgagor committed with the intent to cause a loss or damage. This exclusion applies even if the person committing the act is insane, intoxicated or otherwise impaired if a person without that impairment would have committed such an act with the intent to cause loss or damage. Such an action taken by or at the direction of the mortgagor, without **your** knowledge, shall not bar recovery by **you** as **your** interest may appear.
 - m. **Governmental action:** Meaning the seizure or destruction of **property** by order of governmental authority. But **we** will pay for acts of destruction ordered by the governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this **policy**.
 - n. **Asbestos removal or restoration:** Meaning the removal of any asbestos products, asbestos fibers, or asbestos dust and any act of restoring the **property** due to asbestos products, asbestos fibers, or asbestos dust.
2. **We** will not pay for loss or damage caused by or resulting from:
- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires. But if loss or damage by fire results, **we** will pay for that resulting loss or damage.
 - b. Rupture or bursting of water pipes (other than automatic sprinkler systems) unless caused by a peril insured against.
 - c. Leakage or discharge of water or steam resulting from the breaking or cracking of any part of a system or appliance containing water or steam (other than an automatic sprinkler system), unless the system or appliance is damaged by a peril insured against.
 - d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by **you** or the mortgagor, or operated under **your** or the mortgagor's control. But if loss or damage by fire or combustion explosion results, **we** will pay for that resulting loss or damage.
 - e. Mechanical breakdown, including rupture or busting caused by centrifugal force. But if loss or damage by a peril insured against results, **we** will pay for that resulting loss or damage.

OTHER PROVISIONS

- 1. **Loss settlement:** Subject to the applicable limit of liability, **insured property** losses are settled as follows:
 - a. All **property** except tenant's improvements and betterments shall be paid at actual cash value except as provided below or by endorsement.
 - b. Tenant's improvements and betterments:
 - (1) If repaired or replaced at the expense of **you** or the mortgagor within a reasonable time after loss, **our** liability shall be the actual cash value of the damaged or destroyed improvements, not to exceed the limits of liability for this section.
 - (2) If not repaired or replaced at the expense of **you** or the mortgagor within a reasonable time after loss, **our** liability shall be that proportion of the original cost at the time of installation of the damaged or destroyed **property** which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the periods from the date such improvements or betterments were made to the expiration of the lease, not to exceed the limits of liability for this section.
- 2. **Permits and use:** Except as otherwise provided, permission is granted:
 - a. To make additions, alterations and repairs. This section insofar as it covers building(s) or structure(s), is extended to cover additions, alterations and repairs, when not otherwise covered by insurance, including temporary structures constructed on site, materials, equipment and supplies therefore on or within 100 feet of the **insured property**; and this section, insofar as it covers contents, is extended to cover such additions.
 - b. For such unoccupancy as is usual or incidental to described occupancy. Unoccupied or unoccupancy means containing contents pertaining to occupancy of the building while operations or other customary activities are suspended.
- 3. **Protective safeguards:** It is a condition of this insurance that **you** and the mortgagor shall maintain so far as is within **your** or the mortgagor's control such protective safeguards as are set forth by endorsement hereto. Failure to maintain such protective safeguards shall suspend this insurance, only for the location or situation affected, for the duration of such discontinuance.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
ALASKA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 8. **Concealment, Misrepresentation or Fraud** is deleted and replaced with the following:

8. Concealment, Misrepresentation or Fraud:

Statements and descriptions made by or on behalf of the insured shall be considered to be representations and not warranties. This **policy** may be cancelled and/or rescinded upon the discovery of fraud, intentional concealment, omission, incorrect statement, or misrepresentation of a material fact, by **you** or any other insured concerning:

- a. This **policy**;
- b. The **insured property**;
- c. **Your** interest in **insured property**; or
- d. A claim under this **policy** or any **Mortgagor's Notice of Insurance**,

If **we**, in good faith and having the true facts made known to **us**, would not have issued the **policy** or would have issued the **policy** with different coverage amounts and/or premium rates, or if **we** would not have provided coverage with respect to the hazard resulting in loss.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 9. **Other Insurance** is deleted and replaced with the following:

9. **Other Insurance:** If on the date a loss occurs, there is any other valid and collectible insurance in which **you** are named as loss payee and which would attach if the insurance provided under this **policy** had not been effected, including but not limited to any policies covering **property** owned by **you** and policies covering **property** under which payment would not be made to **you** because the deductible or self-insured retention exceeds the amount of a loss, **we** shall not be liable under this **policy** for a greater proportion of such loss than the proportion of **our** applicable limit of liability under this **policy** and in no event shall any such proportion of loss for which **we** are liable exceed 100% of such limit. Any amounts due **you** from any other valid and collectible insurance shall be shared with **us** up to **our** limit of liability.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 12. **Your duties and the mortgagor's duties after loss**, paragraphs 12. a. 12. e. and 12. g. are deleted and replaced with the following:

12. **Your duties and the mortgagor's duties after loss:** In case of a loss to which this insurance may apply, **our** liability for the payment of any loss is conditioned upon the performance by **you** or the mortgagor of the following duties:

- a. Provide **us** written notice of the loss as soon as possible.
- e. Send to **us** as soon as possible after the loss, the list described in 12(d), a proof of loss signed and sworn to by **you** and the mortgagor, including:
 - (1) The time and cause of loss;
 - (2) The interest of **you**, the mortgagor and all others in **insured property**;
 - (3) All encumbrances on **insured property**;
 - (4) Other insurance that may cover the loss;
 - (5) Changes in title, use, occupancy or possession of **insured property**; and
 - (6) If required, any plans and specification of the damaged buildings.
- g. As often as **we** may require, submit to examinations under oath by any person named by **us** and sign the transcript of the examinations. **You** may have legal representation present when examined under oath.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal** is deleted and replaced with the following:

13. **Appraisal:** If **you** and **we** (the parties) fail to agree on the amount of loss, either may make written demand upon the other to submit the dispute for appraisal. Within 10 days of the written demand, each party must notify the other of the competent appraiser each has selected. The two appraisers will promptly choose a competent and impartial umpire. Not later than 15 days after the umpire has been chosen, unless the time period is extended by the umpire, each appraiser will separately state in writing the amount of the loss. If the appraisers submit a written report of agreement on the amount of the loss, the agreed amount will be binding upon each party. If the appraisers fail to agree, the appraisers will promptly submit their differences to the umpire. A decision agreed to by one of the appraisers and the umpire will be binding upon both parties. All expenses and fees, not including counsel or adjuster fees, incurred because of the appraisal shall be paid as determined by the umpire. Except as specifically provided, nothing in this section is intended to or shall in any manner limit or restrict the rights of the parties or confer any rights to the parties.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us** is deleted and replaced with the following:

15. **Legal action against us:** No one may bring legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
- There has been full compliance with all the terms of this **policy**; and
 - The action is brought within 3 years after the date of a breach of contract, including but not limited to denial of a claim or failure to defend.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 16. **Loss Payment**, paragraphs 16. b. and 16. e. are deleted and replaced with the following:

16. **Loss payment:**

- We** will give notice in writing of **our** intentions within 15 working days after **we** receive the sworn statement of loss. If additional time is needed, **we** will provide **you** written notice, giving the reasons that additional time is necessary, also within this time frame. While the investigation remains incomplete **we** will provide **you** written notification 45 working days from the initial notification and not more than every 45 working days thereafter, giving the reasons that additional time is necessary to complete the investigation.
- We** will pay the portions of loss or damage not in dispute within 30 working days after **we** receive the sworn statement of loss, if:
 - You** have complied with all of the terms of this **policy**; and
 - We** have reached agreement with **you** on the amount of loss or the amount of loss has been established by appraisal.

The Mortgage Security Master Policy, Section II – Residential Property Coverage, **Agreement** is deleted and replaced with the following:

In return for the premium paid and subject to **your** compliance with all applicable provisions of this **policy**, **we** will provide the insurance described in this section.

This **policy**, declarations, any endorsements, constitutes the entire agreement between **you** and **us** with respect to the matters set forth herein and supersedes all documents and understandings.

No waiver or change of the terms of this **policy** shall be recognized except by written agreement and signed by our duly authorized representative. Notice to any agent or knowledge by an agent or by any person shall not effect a waiver or change in any part of this **policy** or prevent **us** from asserting any right under the terms of this **policy**.

The Mortgage Security Master Policy, Section II – Residential Property, **Exclusions**, Item 1. is deleted and replaced with the following:

Exclusions

- We** do not cover loss arising from any of the following:

The Mortgage Security Master Policy, Section II – Residential Property, Exclusions Item 1.d. **Fungus, wet rot, dry rot and bacteria** is deleted and replaced with the following:

- Fungus, wet rot, dry rot, mildew and mold**, meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot, mildew or **mold**. **Mold** means any type of fungus, including mildew, rusts, mushrooms, yeasts, and mycotoxins, spores, or scents produced or released by the **mold**. This does not include fungi intended by the insured for consumption. When the fungus, wet rot, dry rot, mildew or **mold** is the direct result of physical loss or damage caused by a peril not otherwise excluded under this **policy**, coverage is provided for by endorsement.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and Item 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) **We** may cancel this **policy** by mailing or delivering to the first **named insured** and the agent of record at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation if **we** cancel for one or more of the following reasons:
 - (a) Conviction of the **insured** of a crime having as one of its necessary elements an act increasing a hazard insured against; or
 - (b) The discovery of fraud or material misrepresentation made by the **insured**, or a representative of the **insured**, in obtaining this insurance or in pursuing a claim under this **policy**.
- (3) **We** may cancel this **policy** by mailing or delivering to the first **named insured** and the agent of record at the last mailing addresses known to **us**, written notice of cancellation at least 20 days before the effective date of cancellation if **we** cancel for one or more of the following reasons:
 - (a) Nonpayment of the premium due; or
 - (b) The failure or refusal of the **insured** to provide the necessary information required to confirm exposure or to determine the **policy** premium.
- (4) **We** may cancel this **policy** by mailing or delivering to the first **named insured** and the agent of record at the last mailing addresses known to **us**, written notice of cancellation at least 60 days before the effective date of cancellation if **we** cancel for any reason other than those described above.
- (5) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision entitled **Cancellation – Mortgagor's Notice of Insurance**.
- (6) Other termination provisions:
 - (a) Notice shall state the effective date of cancellation; the **policy** period will end on that date.
 - (b) Notice shall state the reason for cancellation.
 - (c) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) Notice shall be mailed by first class mail and a certificate of mailing by the United States Postal Service shall be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in the **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) **We** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation if **we** cancel for one or more of the following reasons:
 - (a) The conviction of the **insured** or of the mortgagor of a crime having as one of its necessary elements an act increasing a hazard insured against; or
 - (b) The discovery of fraud or material misrepresentation made by the **insured**, a representative of the **insured**, or the mortgagor in obtaining this insurance or in pursuing a claim under the **Mortgagor's Notice of Insurance**.
- (3) **We** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 20 days before the effective date of cancellation if **we** cancel for one or more of the following reasons:
 - (a) Nonpayment of the premium due; or
 - (b) The failure or refusal of the **insured** or of the mortgagor to provide the necessary information required to confirm exposure or to determine the premium.
- (4) **We** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 60 days before the effective date of cancellation if **we** cancel for any reason other than those described above.
- (5) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on the **Mortgagor's Notice of Insurance**; or

- (d) The date following the date of loss for any total loss to **insured property** as described on the **Mortgagor's Notice of Insurance**.
- (6) Other termination provisions:
 - (a) Notice shall state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (b) Notice shall state the reason for cancellation.
 - (c) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) Notice shall be mailed by first class mail and a certificate of mailing by the United States Postal Service shall be sufficient proof of notice.
 - (e) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

- (1) **We** may elect not to renew this **policy** and/or the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal, stating the reason(s) for nonrenewal, at least 45 days before the:
 - (a) Expiration of the **policy** and/or the **Mortgagor's Notice of Insurance**; or
 - (b) Anniversary date of the **policy** and/or the **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year or with no fixed expiration date.
- (2) Notice of nonrenewal shall not be required:
 - (a) If **we** have in good faith manifested **our** willingness to renew;
 - (b) If the premium for the expiring **policy** and/or **Mortgagor's Notice of Insurance** has not been paid;
 - (c) If the premium due for the renewal **policy** and/or **Mortgagor's Notice of Insurance** has not been paid.
- (3) Notice shall be mailed by first class mail and a certificate of mailing by the United States Postal Service shall be sufficient proof of notice.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28.b. **Renewal with Changes** is added as follows:

28. b. **Renewal with Changes:**

- (1) Should **we** elect to renew this **policy** and/or a **Mortgagor's Notice of Insurance** and the renewal premium is increased by more than 10 percent (10%) for a reason other than an increase in coverage or a change in exposure, or if after renewal there will be a material restriction or a reduction in coverage not specifically requested by the first **named insured**, **we** will mail or deliver to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of such changes at least 45 days before the renewal effective date.
- (2) If **we** fail to provide notice at least 45 days before the renewal effective date, the existing **policy** and/or **Mortgagor's Notice of Insurance** shall remain in force until **we** have provided the required notice.
- (3) Notice shall be mailed by first class mail and a certificate of mailing by the United States Postal Service shall be sufficient proof of notice.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 29. **Premium Refunds** is deleted and replaced with the following:

29. **Premium Refunds:**

- a. If either **you** or **we** cancel the **policy** or a **Mortgagor's Notice of Insurance**, **we** will refund the unused portion of the premium computed on a pro rata basis.
- b. If **you** cancel due to a foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title, refunds due **you** on a **Mortgagor's Notice of Insurance** will be made directly to **you** within 45 days after **our** receipt of **your** request for cancellation notifying **us** of the date of foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title, or by the effective date of cancellation, whichever is later. Cancellation shall be effective as of such date even if **you** have failed to provide such notice.
- c. If **we** cancel, refunds of unearned premium will be made directly to **you** within 45 days after **we** have provided **you** notice of cancellation, if **we** cancel for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) The conviction of the **insured** or of the mortgagor of a crime having as one of its necessary elements an act increasing a hazard insured against;

- (3) The discovery of fraud or material misrepresentation made by the **insured**, a representative of the **insured**, or the mortgagor in obtaining this insurance or in pursuing a claim under the **policy** or the **Mortgagor's Notice of Insurance**; or
 - (4) The failure or refusal of the **insured** or of the mortgagor to provide the necessary information required to confirm exposure or to determine the premium.
- d. Refunds of unearned premium due to **you** for reasons other than those described 29. b. and c. above will be made directly to **you** before the effective date of cancellation. However, payment or the return of unearned premium is not a consideration of cancellation.

The Mortgage Security Master Policy, Section III – Commercial Property Coverage, **Agreement** is deleted and replaced with the following:

In return for the premium paid and subject to **your** compliance with all applicable provisions of this **policy**, **we** will provide the insurance described in this section.

This **policy**, declarations, any endorsements, constitutes the entire agreement between **you** and **us** with respect to the matters set forth herein and supersedes all documents and understandings.

No waiver or change of the terms of this **policy** shall be recognized except by written agreement and signed by our duly authorized representative. Notice to any agent or knowledge by an agent or by any person shall not effect a waiver or change in any part of this **policy** or prevent **us** from asserting any right under the terms of this **policy**.

The Mortgage Security Master Policy, Section III – Commercial Property, **Exclusions** Item 1. is amended to read as follows:

Exclusions

1. **We** do not cover loss arising from any of the following:

The Mortgage Security Master Policy, Section III – Commercial Property, Exclusions Item 1.h. **Fungus, wet rot, dry rot and bacteria** is amended as follows:

1. h. **Fungus, wet rot, dry rot, mildew and mold**, meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot, mildew or **mold**.

Mold means any type or form of fungus, including mildew, rusts, mushrooms, yeasts, and any mycotoxins, spores, or scents produced by or released by the **mold**. This does not include fungi intended by the insured for consumption.

When the fungus, wet rot, dry rot, mildew or **mold** is the direct result of physical loss or damage caused by a peril not otherwise excluded under this **policy**, coverage is provided for by endorsement.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
MOBILE HOME COVERAGE ENDORSEMENT
ALASKA**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that the Mortgage Security Master Policy is extended to provide coverage against direct loss or damage to residential mobile homes in which **you** have an insurable interest and which become uninsured during the term of this **policy**.

The Mortgage Security Master Policy, Section I – General Provisions, Item 2. Insured Property is amended to include “mobile home”. Coverage and loss settlement, if applicable, shall be in accordance with Section II – Residential Property Coverage. This coverage shall not apply to mobile homes used for other than residential purposes.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.		
POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

MORTGAGE SECURITY PROGRAM REAL ESTATE OWNED ENDORSEMENT ALASKA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that in consideration of an additional premium paid by the mortgagee and upon the mortgagee's request for coverage, **we** agree to provide coverage as described below for residential or commercial **properties** owned by **you** as a result of foreclosure or voluntary conveyance.

COVERAGE

Coverage shall be effective the latest of either:

1. The date of foreclosure or voluntary conveyance; or
2. The cancellation or expiration date, after foreclosure or voluntary conveyance, of an existing insurance policy when a renewal or replacement policy has not been received by **you** as of that date.

TERM

At **your** option, coverage may be provided for a monthly, quarterly, semi-annual, or annual term.

1. If a monthly term is selected, the following provisions shall apply to all residential and commercial **properties** covered:
 - a. **You** shall maintain and forward a schedule, as defined below, to **us** on a monthly basis listing the location of all **properties** for which this coverage applies and include the:
 - (1) Description of each **property** and its occupancy;
 - (2) Address of each **property**;
 - (3) Amount of insurance under this **policy**;
 - (4) Effective date of coverage under this **policy**;
 - (5) Expiration or cancellation date of coverage provided by this **policy**;
 - (6) Number of days coverage is in force under this **policy**;
 - (7) Premium for each entry calculated in accordance with premium tables to be provided by **us**.
 - b. The schedule shall be forwarded to **us** not less than fifteen (15) days after the last day of the month for which coverage applies.
2. If a quarterly, semi-annual, or annual term is selected, the following provisions shall apply to all residential and commercial **properties** covered:
 - a. Coverage shall apply to those **properties** reported to **us** by written application received no later than thirty (30) days after the requested effective date. A certificate shall be issued for each location of covered **property** for a quarterly, semi-annual or annual term from the date specified by **you**.
 - b. The premium payable for each certificate shall be calculated according to schedules to be provided by **us**.
3. **You** understand that the premium rate is a monthly per **property** rate and is fully earned at the inception of coverage for each **property**. If a quarterly, semi-annual, or annual term is selected and coverage for a **property** is cancelled mid-term the refund shall be on a pro-rata basis as follows:
 - a. If **you** cancel, refunds of unearned premium will be made directly to **you** within 45 days after **our** receipt of **your** request for cancellation or by the effective date of cancellation, whichever is later.
 - b. If **we** cancel, refunds of unearned premium will be made directly to **you** within 45 days after **we** have provided **you** notice of cancellation, if **we** cancel for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) **Your** conviction of a crime having as one of its necessary elements an act increasing a hazard insured against;
 - (3) The discovery of fraud or material misrepresentation made **you** or **your** representative in obtaining this insurance or in pursuing a claim under the **policy**.
 - (4) **Your** refusal to provide the necessary information required to confirm exposure or to determine the premium.
 - c. Refunds of unearned premium due for reasons other than those described above will be made directly to **you** before the effective date of cancellation.

LIMITS OF RECOVERY

1. **Our** liability hereunder for loss to any dwelling and other structures shall be per the provisions found in Section II, Residential Property Coverage, and in no event shall it exceed the limit of liability shown on the Mortgage Security Master Policy Declarations.
2. **Our** liability hereunder for loss to any building shall be per the provisions found in Section III – Commercial Property Coverage, and in no event shall it exceed the limit of liability shown on the Mortgage Security Master Policy Declarations.

DEDUCTIBLE

The deductible(s) shown on the Mortgage Security Master Policy Declarations shall apply separately for each loss to each dwelling, other structure, or building.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.

POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE
---------------	---------------	----------------

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
WINDSTORM, HAIL AND HURRICANE DEDUCTIBLE ENDORSEMENT
ALASKA**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that a minimum deductible of 2% of the Coverage A - Dwelling limit of liability, or the deductible shown on the Mortgage Security Master Policy Declarations, whichever is greater, shall apply to each occurrence caused by the perils of wind, hail, and hurricane.

This deductible applies in the event of direct physical loss to:

1. Residential dwellings, including other structures and personal property; and
2. Commercial buildings, including business personal property of others.

Such deductible applies regardless of any other cause or event contributing concurrently or in any sequence to the loss; however, this deductible does not apply to loss resulting from rain or wind-driven rain, except rain or wind-driven rain which enters the **insured property** or structure through an opening created by the force of wind, hail, or hurricane.

ALL OTHER PROVISIONS OF THE POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.		
POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division

1949 East Sunshine St., Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
ALASKA**

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102 (1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been 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. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017, 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceeds \$100 billion, your coverage may be reduced.

In accordance with the Act, we are providing you with this disclosure notice. The portion of your premium attributable to coverage for certified acts of terrorism under your policy is **\$0.00** and does not include any charges for the portion of losses covered by the United States Government under the Act.

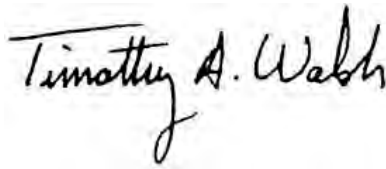
AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

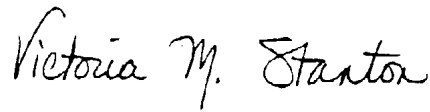
MORTGAGE SECURITY PROGRAM
MORTGAGE SECURITY MASTER POLICY
POLICY EXECUTION ENDORSEMENT
ALASKA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Company has caused this policy to be signed by the President and Secretary.



President



Secretary

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
ARIZONA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) When this **policy** has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the cancellation date, if **we** cancel for nonpayment of premium; or
 - (b) 10 days before the cancellation date, if **we** cancel for any other reason not unfairly discriminatory.
- (3) When this **policy** has been in effect for 60 days or more, or at any time if it is a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the cancellation date, if **we** cancel for nonpayment of premium;
 - (b) 45 days before the cancellation date, if **we** cancel for any one or more of the following reasons:
 - (i) The conviction of the **named insured** of a crime arising out of acts that increase the hazard insured against;
 - (ii) Acts or omissions by the **named insured**, or the **named insured's** representative, constituting fraud or material misrepresentation in obtaining the **policy**, continuing the **policy** or presenting a claim under the **policy**;
 - (iii) Discovery of grossly negligent acts or omissions by the **named insured** that substantially increase any of the hazards insured against;
 - (iv) A substantial change in the risk assumed by **us**, occurring after the **policy** was issued, except to the extent that **we** should reasonably have foreseen or contemplated the change in risk in writing the contract;
 - (v) A determination by the Director of Insurance that the continuation of the **policy** would place **us** in violation of the insurance laws of this state or would jeopardize **our** solvency;
 - (vi) **Your** failure to take reasonable steps to eliminate or reduce any conditions in or on the insured premises that contributed to a loss in the past or that increase the probability of future losses;
 - (vii) A substantial breach of **your** contractual duties or conditions; or
 - (viii) Loss of reinsurance applicable to the risk insured against, but only if the absence of reinsurance resulted from the termination of treaty or facultative reinsurance initiated or implemented by the reinsurer or reinsurers of the company issuing the **policy**.
- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Cancellation based solely on the **named insured's** status as a victim of abuse or as an entity or individual that provides counseling, shelter, protection or other services to victims of domestic violence, is prohibited.
 - (b) Notice will state the effective date and reason(s) for cancellation. The **policy** period will end on that date.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) When any **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 10 days before the cancellation date, if **we** cancel for nonpayment of premium; or
 - (b) 10 days before the cancellation date, if **we** cancel for any other reason that is not unfairly discriminatory.

- (3) When any **Mortgagor's Notice of Insurance** has been in effect for 60 days or more, or at any time if it is a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 10 days before the cancellation date, if **we** cancel for nonpayment of premium;
 - (b) 45 days before the cancellation date, if **we** cancel for any one or more of the following reasons:
 - (i) The conviction of the **named insured** or mortgagor of a crime arising out of acts that increase the hazard insured against;
 - (ii) Acts or omissions by the **named insured**, the **named insured's** representative, or the mortgagor constituting fraud or material misrepresentation in obtaining, continuing, or presenting a claim under the **Mortgagor's Notice of Insurance**;
 - (iii) Discovery of grossly negligent acts or omissions by the **named insured** or mortgagor that substantially increase any of the hazards insured against;
 - (iv) A substantial change in the risk assumed by **us**, occurring after the **Mortgagor's Notice of Insurance** was issued, except to the extent that **we** should reasonably have foreseen or contemplated the change in risk in writing the contract;
 - (v) A determination by the Director of Insurance that the continuation of the **Mortgagor's Notice of Insurance** would place **us** in violation of the insurance laws of this state or would jeopardize **our** solvency;
 - (vi) **Your** or the mortgagor's failure to take reasonable steps to eliminate or reduce any conditions in or on the insured premises that contributed to a loss in the past or that increase the probability of future losses;
 - (vii) A substantial breach of **your** contractual duties or conditions; or
 - (viii) Loss of reinsurance applicable to the risk insured against, but only if the absence of reinsurance resulted from the termination of treaty or facultative reinsurance initiated or implemented by the reinsurer or reinsurers of the company issuing the **Mortgagor's Notice of Insurance**.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Cancellation based solely on the **named insured's** status as a victim of abuse or as an entity or individual that provides counseling, shelter, protection or other services to victims of domestic violence, is prohibited.
 - (b) The notice will state the effective date and reason(s) of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (c) The cancellation will be effective even if **we** have not made or offered a refund;
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (e) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. Nonrenewal:

- a. **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** for any of the reason(s) previously identified by delivering to the first **named insured** and/or any mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal by certified mail at least 45 days before the expiration of the **policy** and/or **Mortgagor's Notice of Insurance**.
- b. Written notice of nonrenewal is not required when **we**, or a company within **our** insurance group has offered to issue a renewal **policy**; or when **you** have obtained replacement coverage, or have agreed in writing to do so.
- e. Other nonrenewal provisions:
 - (1) Nonrenewal based solely on the **named insured's** status as a victim of abuse or as an entity or individual that provides counseling, shelter, protection or other services to victims of domestic violence, is prohibited.
 - (2) The transfer between companies within the same insurance group or changes in deductibles, premium, and amounts of insurance or coverage are not refusals to renew.
 - (3) Notice will include the effective date and reason(s) for nonrenewal. A copy will be mailed to the **named insured's** agent or broker.
 - (4) If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
ARKANSAS AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy**, is deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) When this **policy** has been in effect for 60 days or less and is not a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 20 days before the effective date of cancellation if **we** cancel for any other reason.
- (3) When this **policy** has been in effect for more than 60 days or at any time if it is a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least 20 days before the effective date of cancellation. **We** may cancel only for one or more of the following reasons:
 - (a) Upon discovery of fraud or material misrepresentation made by or with the knowledge of the **named insured** in obtaining or continuing this **policy**, or in presenting a claim under this **policy**;
 - (b) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
 - (c) If there is a violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured **property** which substantially increases any hazard insured against;
 - (d) For nonpayment of membership dues required by **us** as a condition of the issuance and maintenance of the **policy**; or
 - (e) In the event of a material violation of a material provision of this **policy**.
- (4) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.b. **Cancellation – Mortgagor's Notice of Insurance**, is deleted and replaced with the following:

27. b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) When this **Mortgagor's Notice of Insurance** has been in effect for 60 days or less and is not a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 20 days before the effective date of cancellation if **we** cancel for any other reason.

- (3) When this **Mortgagor's Notice of Insurance** has been in effect for more than 60 days or at any time if it is a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least 20 days before the effective date of cancellation. **We** may cancel only for one or more of the following reasons:
 - (a) Upon discovery of fraud or material misrepresentation made by or with the knowledge of the **named insured** in obtaining or continuing this **Mortgagor's Notice of Insurance**, or in presenting a claim under this **Mortgagor's Notice of Insurance**;
 - (b) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
 - (c) If there is a violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured **property** which substantially increases any hazard insured against;
 - (d) For nonpayment of membership dues required by **us** as a condition of the issuance and maintenance of the **Mortgagor's Notice of Insurance**; or
 - (e) In the event of a material violation of a material provision of this **Mortgagor's Notice of Insurance**.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us**, is deleted and replaced with the following:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
 - a. There has been full compliance with all the terms of this **policy**; and
 - b. The action is brought within 5 years after **you** first have knowledge of the loss.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 60 days before the:
 - a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
CALIFORNIA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal** is deleted and replaced with the following:

13. **Appraisal:** If **you** and **we** fail to agree on the amount of loss, either one can make a written request that the amount of the loss be set by appraisal. If the request for appraisal is accepted, each shall select a competent independent appraiser, and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the state where the **property** is located to select an umpire. Appraisal proceedings are informal unless **you** and **we** mutually agree otherwise. For purposes of this section, "informal" means that no formal discovery shall be conducted, including depositions, interrogatories, requests for admission, or other forms of formal civil discovery, no formal rules of evidence shall be applied, and no court reporter shall be used for the proceedings. The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by **you** and **us**. In the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either the insured or this company but shall not be compelled.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 60 days before the:
- Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
COLORADO AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) **We** may cancel by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation by first-class mail at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 45 days before the effective date of cancellation if **we** cancel for one or more of the following reasons:
 - (i) A false statement knowingly made by **you** on the application for this insurance; or
 - (ii) A substantial change in the exposure or risk other than that indicated on the application and underwritten as of the effective date of this **policy** unless **you** have notified **us** of the change and **we** have accepted such change.
- (3) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled Cancellation – Mortgagor's Notice of Insurance.
- (4) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) **We** may cancel any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation by first-class mail at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 45 days before the effective date of cancellation if **we** cancel for one or more of the following reasons:
 - (i) A false statement knowingly made by **you** on the application for this insurance; or
 - (ii) A substantial change in the exposure or risk other than that indicated on the application and underwritten as of the effective date of this **policy** unless **you** have notified **us** of the change and **we** have accepted such change.
- (3) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (4) Other termination provisions:
 - (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof or mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal by first-class mail, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal by first-class mail to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

We may elect to nonrenew by providing notice at least 10 days before the expiration of the **policy** and/or **Mortgagor's Notice of Insurance** when the decision to nonrenew is made for one or more of the following reasons:

- a. Nonpayment of premium; or
- b. If the **policy** and/or **Mortgagor's Notice of Insurance** has been in effect for less than 60 days.

When the **policy** and/or **Mortgagor's Notice of Insurance** has been in effect for 60 days or more, **we** will provide notice at least 45 days before the:

- a. Expiration of the **policy** and/or **Mortgagor's Notice of Insurance**; or
- b. Anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 29. **Premium Increase and Reduction in Coverage** is added as follows:

29. **Premium Increase and Reduction in Coverage:**

We may increase the premium or reduce the coverage on a **policy** by delivering or mailing to first **named insured** at the last mailing address known to **us**, written notice stating the accompanying reason(s), the renewal terms and the amount of premium due, at least 45 days prior to the expiration of the **policy**. If notice is mailed, proof of mailing will be sufficient proof of notice. A notice of a decrease in coverage made during the term of a **policy** shall state the reason(s) for such decrease and must be based upon one or more of the following:

- a. Nonpayment of premium;
- b. A false statement knowingly made by the **you** on the application for this insurance; or
- c. A substantial change in the exposure or risk other than that indicated on the application and underwritten as of the effective date of this **policy** unless the **you** have notified **us** of the change and **we** have accepted such change.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
DELAWARE AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for less than 60 days or at any time if **you** have not paid the premium, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
- (3) If this **policy** has been in effect for 60 days or more, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 60 days but not more than 120 days before the effective date of cancellation if **we** cancel for any one or more of the following reasons:
 - (i) Discovery of material misrepresentation or nondisclosure of a material fact at the time of acceptance of the risk;
 - (ii) Increased hazard or material change in the risk assumed which could not have been reasonably contemplated by the parties at the time of assumption of the risk;
 - (iii) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
 - (iv) Fraudulent acts against the Company by the **named insured** or its representatives that materially affect the nature of the risk insured;
 - (v) Lack of cooperation from the **named insured** on loss control matters affecting insurability of the risk;
 - (vi) Bona fide loss of or substantial changes in applicable reinsurance provided;
 - (vii) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the **policy**; and
 - (viii) Bona fide loss of or reduction in available insurance capacity.
- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation.
 - (b) Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) Contact information for the Delaware Insurance Department will be provided should **you** wish to file a complaint regarding the cancellation.
 - (d) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (e) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days or at any time if **you** have not paid the premium, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.

- (3) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
- (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 60 days but not more than 120 days before the effective date of cancellation if **we** cancel for any one or more of the following reasons:
 - (i) Discovery of material misrepresentation or nondisclosure of a material fact at the time of acceptance of the risk;
 - (ii) Increased hazard or material change in the risk assumed which could not have been reasonably contemplated by the parties at the time of assumption of the risk;
 - (iii) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
 - (iv) Fraudulent acts against the Company by the **named insured** and/or mortgagor or their representatives that materially affect the nature of the risk insured;
 - (v) Lack of cooperation from the **named insured** and/or mortgagor on loss control matters affecting insurability of the risk;
 - (vi) Bona fide loss of or substantial changes in applicable reinsurance provided;
 - (vii) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the **Mortgagor's Notice of Insurance**; and
 - (viii) Bona fide loss of or reduction in available insurance capacity.
- (4) Other termination provisions:
- (a) Notice will state the reason(s) for cancellation.
 - (b) Notice will state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) Contact information for the Delaware Insurance Department will be provided should **you** wish to file a complaint regarding the cancellation.
 - (d) A copy of the notice will be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (e) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (f) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Items 28. **Nonrenewal** is amended as follows:

28. **Nonrenewal:** **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**. Notice will state the reason(s) for nonrenewal. If notice is mailed, proof of mailing will be sufficient proof of notice.

We will mail or deliver notice at least 60 days but not more than 120 days before the:

- a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
- b. Anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
DISTRICT OF COLUMBIA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for 30 days or less and it is not a renewal with **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 30 days prior to the proposed date of cancellation.
- (3) If this **policy** has been in effect for more than 30 days or if it is a renewal with **us**, **we** shall not cancel the **policy** unless cancellation is based upon one or more of the reasons listed below:
 - (a) Refusal or failure of the first **named insured** to pay a premium due under the terms of the **policy**;
 - (b) Any material and willful misstatement or omission of fact by the first **named insured** to **us** in connection with any application or claim against **us**;
 - (c) When the **insured property** or other **insurable interest** has been transferred from the first **named insured** to another person, unless such transfer is permissible under the terms of the **policy**, or unless the **property, insurable interest** or use thereof has materially changed with respect to its insurability.

If **we** cancel for one or more of the above reasons, written notice will be mailed or delivered to the first **named insured** at the last mailing address known to **us** at least 30 days prior to the proposed date of cancellation.

- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice shall state the reason(s) for cancellation and shall include information regarding appeal rights and procedures.
 - (b) Notice shall include information of how and where to inquire about possible coverage under the District of Columbia Insurance Placement Act or other similar plans existing at the time of the notice.
 - (c) Notice shall be mailed to the insurance agent or broker at least 5 days prior to mailing the notice of cancellation to **you**.
 - (d) If cancellation is due to a reason other than nonpayment of premium, a copy of the notice shall be mailed to the Superintendent of Insurance at least 30 days prior to the proposed date of cancellation.
 - (e) Notice shall state the proposed effective date of cancellation; the **policy** period will end on that date.
 - (f) If notice is mailed, it shall be done so in a manner designed to assure delivery; proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for 30 days or less and it is not a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 30 days prior to the proposed date of cancellation.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for more than 30 days or if it is a renewal with **us**, **we** shall not cancel the **Mortgagor's Notice of Insurance** unless cancellation is based upon one or more of the reasons listed below:
 - (a) Refusal or failure of the first **named insured** and/or mortgagor to pay a premium due under the terms of the **Mortgagor's Notice of Insurance**;
 - (b) Any material and willful misstatement or omission of fact by the first **named insured** and/or mortgagor to **us** in connection with any application or claim against **us**;

- (c) When the **insured property** or other **insurable interest** has been transferred from the first **named insured** and/or mortgagor to another person, unless such transfer is permissible under the terms of the **Mortgagor's Notice of Insurance**, or unless the **property, insurable interest** or use thereof has materially changed with respect to its insurability.

If **we** cancel for one or more of the above reasons, written notice will be mailed or delivered to the first **named insured** and the mortgagor at the last mailing addresses known to **us** at least 30 days prior to the proposed date of cancellation.

- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice shall state the reason(s) for cancellation and shall include information regarding appeal rights and procedures.
 - (b) Notice shall include information of how and where to inquire about possible coverage under the District of Columbia Insurance Placement Act or other similar plans existing at the time of the notice.
 - (c) Notice shall be mailed to the insurance agent or broker at least 5 days prior to mailing the notice of cancellation to **you** and the mortgagor.
 - (d) If cancellation is due to a reason other than nonpayment of premium, a copy of the notice shall be mailed to the Superintendent of Insurance at least 30 days prior to the proposed date of cancellation.
 - (e) Notice shall state the proposed effective date of cancellation; the **policy** period will end on that date.
 - (f) If notice is mailed, it shall be done so in a manner designed to assure delivery; proof of mailing will be sufficient proof of notice.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:**

- a. **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal at least 30 days before the:
 - (1) Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - (2) Anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- b. Other nonrenewal provisions:
 - (1) Notice shall state the reason(s) for nonrenewal and shall include information regarding appeal rights and procedures.
 - (2) Notice shall include information of how and where to inquire about possible coverage under the District of Columbia Insurance Placement Act or other similar plans existing at the time of the notice.
 - (3) Notice shall be mailed to the insurance agent or broker at least 5 days prior to mailing the notice of nonrenewal to **you** and/or the mortgagor.
 - (4) Notice shall state the proposed effective date of cancellation; the **policy** period will end on that date.
 - (5) If notice is mailed, it shall be done so in a manner designed to assure delivery; proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY
Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

MORTGAGE SECURITY PROGRAM
WINDSTORM/HAIL AND HURRICANE DEDUCTIBLE ENDORSEMENT
GEORGIA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that a minimum deductible of 2% of the Coverage A - Dwelling limit of liability, or the deductible shown on the Mortgage Security Master Policy Declarations, whichever is greater, shall apply to each occurrence caused by the perils of wind, hail, and hurricane in the following counties:

Bryan Camden Chatham Glynn Liberty McIntosh

This deductible applies in the event of direct physical loss to:

- 1. Residential dwellings, including other structures and personal property; and
- 2. Commercial buildings, including business personal property of others.

Such deductible applies regardless of any other cause or event contributing concurrently or in any sequence to the loss; however, this deductible does not apply to loss resulting from rain or wind-driven rain, except rain or wind-driven rain which enters the **insured property** or structure through an opening created by the force of wind, hail, or hurricane.

ALL OTHER PROVISIONS OF THE POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.		
POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
GEORGIA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 8. **Concealment, Misrepresentation or Fraud** is deleted and replaced with the following:

8. **Concealment, Misrepresentation, or Fraud:** There will be no coverage under this **policy** or any **Mortgagor's Notice of Insurance** if **you** or the mortgagor has intentionally concealed or misrepresented any material fact or circumstance relating to any aspect of this insurance; or has acted fraudulently or made false statements relating to any aspect of this insurance, whether before or after a loss. Such acts or act by the mortgagor will bar recovery by any person except as provided in this **policy** with respect to **your** interest.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation - Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** at any time by mailing or delivering to **us** advance written notice of cancellation stating the effective date of cancellation. Cancellation is subject to the following provisions:

- (1) If only **your** interest is affected, the effective date of cancellation shall be either the date **we** receive notice from you or the date specified in the notice, whichever is later. However, upon **our** receipt of written notice of cancellation from **you**, **we** may waive the requirement that the notice state the future effective date of cancellation by confirming the date and time of cancellation in writing to **you**.
- (2) If by statute, regulation or contract, this **policy** may not be cancelled unless notice is given to a governmental agency, mortgagee or other third party, **we** will mail or deliver at least 10 days prior notice to the **named insured** and the third party at the last mailing addresses known to **us** as soon as practicable after receiving **your** request for cancellation. **Our** notice will state the effective date of cancellation, which shall be the later of the following:
 - (a) 10 days after the date **our** notice is mailed or delivered; or
 - (b) The effective date of cancellation stated in **your** notice to **us**.
- (3) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation subject to the following provisions:
 - (a) If at any time **you** have not paid the premium, **we** may cancel by notifying **you** at least 10 days prior to the date cancellation is to take effect.
 - (b) When this **policy** has been in effect LESS THAN 60 DAYS and is not a renewal with **us**, **we** may cancel for any reason by notifying **you** at least 10 days before the date cancellation is to take effect.
 - (c) When this **policy** has been in effect for 60 DAYS OR MORE or at any time if it is a renewal with **us**, **we** may cancel by notifying **you** at least 45 days before the date cancellation is to take effect. **We** may cancel only for one or more of the following reasons:
 - (ii) Upon discovery of fraud, concealment of a material fact, or material misrepresentation made by or with the knowledge of any person insured under this **policy** in regard to obtaining this **policy**, continuing this **policy** or presenting a claim under this **policy**;
 - (iii) Upon the occurrence of a change in the risk which substantially increases any hazard insured against; or
 - (iv) Upon the violation by any person insured under the **policy** of any of its material terms or conditions.
- (4) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice of cancellation shall state the effective date of cancellation; the **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company. Notice shall state the effective date of cancellation and is subject to the following provisions:

- (1) If only **your** interest is affected, the effective date of cancellation shall be either the date **we** receive notice from **you** or the date specified in the notice, whichever is later. However, upon **our** receipt of written notice of cancellation from **you**, **we** may waive the requirement that the notice state the future effective date of cancellation by confirming the date and time of cancellation in writing to **you**.
- (2) If by statute, regulation or contract, this **Mortgagor's Notice of Insurance** may not be cancelled unless notice is given to a governmental agency, mortgagee or other third party, **we** will mail or deliver at least 10 days prior notice to the **named insured**, the mortgagor, and any third party at the last mailing addresses known to **us** as soon as practicable after receiving **your** request for cancellation. **Our** notice will state the effective date of cancellation, which shall be the later of the following:
 - (a) 10 days after the date **our** notice is mailed or delivered; or
 - (b) The effective date of cancellation stated in **your** notice to **us**.
- (3) **We** may cancel a **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us** written notice of cancellation subject to the following provisions:
 - (a) If at any time **you** have not paid the premium, **we** may cancel by notifying **you** at least 10 days prior to the date cancellation is to take effect.
 - (b) When a **Mortgagor's Notice of Insurance** has been in effect LESS THAN 60 DAYS and is not a renewal with **us**, **we** may cancel for any reason by notifying **you** at least 10 days before the date cancellation is to take effect.
 - (c) When a **Mortgagor's Notice of Insurance** has been in effect for 60 DAYS OR MORE or at any time if it is a renewal with **us**, **we** may cancel by notifying **you** at least 45 days before the date cancellation is to take effect. **We** may cancel only for one or more of the following reasons:
 - (ii) Upon discovery of fraud, concealment of a material fact, or material misrepresentation made by or with the knowledge of any person insured under the **Mortgagor's Notice of Insurance** in regard to obtaining coverage, continuing coverage, or presenting a claim under the **Mortgagor's Notice of Insurance**;
 - (iii) Upon the occurrence of a change in the risk which substantially increases any hazard insured against; or
 - (iv) Upon the violation by any person insured under the **Mortgagor's Notice of Insurance** of any of its material terms or conditions.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) The notice of cancellation will state the effective date of cancellation; coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date.
 - (b) The cancellation will be effective even if **we** have not made or offered a refund.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. **We** will mail or deliver notice at least 45 days before the:
- (1) Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - (2) Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

If notice is mailed, proof of mailing will be sufficient proof of notice.

- b. **Renewal with Changes:** If we elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** and our offer to renew includes an increase in the current **policy** premium by more than 15% (other than any increase due to a change in risk, exposure or experience modification or resulting from an audit of auditable coverages) and/or a change to any **policy** provision which would limit or restrict coverage, we will provide written notice to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to us. Notice shall include the dollar amount of any increase in renewal premium of more than 15% and will be mailed or delivered at least 45 days before the expiration date of the **policy**. If notice is mailed, proof of mailing will be sufficient proof of notice.

The Mortgage Security Master Policy, Section II – Residential Property Coverage, Exclusions, Item 1.d. **Fungus, wet rot, dry rot and bacteria** is amended as follows:

1. d. **Fungus, wet rot, dry rot and bacteria**, meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. **Fungus** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungus. This or any exclusion for **fungus**, wet rot, dry rot, bacteria and mold will not be applicable if the proximate cause of loss is the peril of fire or lightning or if the covered property would still have required repair or replacement had there been no **fungus**, wet rot, dry rot, bacteria or mold.

The Mortgage Security Master Policy, Section III – Commercial Property Coverage, Exclusions, Item 1.h. **Fungus, wet rot, dry rot and bacteria** is amended as follows:

2. h. **Fungus, wet rot, dry rot and bacteria:** Meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. **Fungus** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungus. This or any exclusion for **fungus**, wet rot, dry rot, bacteria and mold will not be applicable if the proximate cause of loss is the peril of fire or lightning or if the covered property would still have required repair or replacement had there been no **fungus**, wet rot, dry rot, bacteria or mold.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
MORTGAGE SECURITY MASTER POLICY
HAWAII AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

I. The following is added to SECTION I – MASTER POLICY, DEFINITIONS:

Domestic abuse means:

- a. Physical harm, bodily injury, assault or the infliction of fear of imminent physical harm, bodily injury or assault between family or household members;
- b. Sexual assault of one family or household member by another;
- c. Stalking of one family or household member by another family or household member; or
- d. Intentionally, knowingly or recklessly causing damage to property so as to intimidate or attempt to control the behavior of another family or household member.

II. The following is added to GENERAL PROVISIONS – APPLICABLE TO SECTION II AND SECTION III, paragraph 8. Concealment, Misrepresentation or Fraud:

However, a misrepresentation shall not prevent a recovery on this **policy** unless made with actual intent to deceive or unless it materially affects either the acceptance of the risk of the hazard assumed by **us**.

III. The following is added to GENERAL PROVISIONS – APPLICABLE TO SECTION II AND SECTION III, paragraph 14. Subrogation:

If **we** pay an insured who is a victim of **domestic abuse** for a loss caused by an act of **domestic abuse**, the rights of that insured to recover damages from the perpetrator of the abuse are transferred to **us** to the extent of **our** payment. That insured may not waive such rights to recover against the perpetrator of the **domestic abuse**.

IV. SECTION II – RESIDENTIAL PROPERTY COVERAGE, EXCLUSIONS, paragraph h. is replaced by the following:

- h. **Intentional act**, meaning any action taken by or at the direction of **you** or any mortgagor committed with the intent to cause a loss or damage. This exclusion applies even if the person committing the act is insane, intoxicated or otherwise impaired if a person without that impairment would have committed such an act with the intent to cause loss or damage. Any action taken by or at the direction of the mortgagor, without **your** knowledge, shall not bar recovery by **you** as **your interest** may appear.

However, this exclusion will not apply to deny an insured's claim for an otherwise covered **property** loss if such loss is caused by an act of **domestic abuse** by another insured under the **policy**, and the insured making claim:

- (1) Files a police report and cooperates with any law enforcement investigation relating to the act of **domestic abuse**; and
- (2) Did not cooperate in or contribute to the creation of the loss.

If **we** pay a claim payment relating to this **domestic abuse** provision, **our** payment to the insured is limited to that insured's insurable interest in the **insured property**, less any payments **we** first made to a mortgagee or other party with a legal secured interest in the **insured property**. In no event will **we** pay more than the limit of liability.

V. SECTION III – COMMERCIAL PROPERTY COVERAGE, EXCLUSIONS, paragraph I. is replaced by the following:

- I. **Intentional act**: Meaning any action taken by or at the direction of **you** or any mortgagor committed with the intent to cause a loss or damage. This exclusion applies even if the person committing the act is insane, intoxicated or otherwise impaired if a person without that impairment would have committed such an act with the intent to cause loss or damage. Such an action taken by or at the direction of the mortgagor, without **your** knowledge, shall not bar recovery by **you** as **your interest** may appear.

However, this exclusion will not apply to deny an insured's claim for an otherwise covered **property** loss if such loss is caused by an act of **domestic abuse** by another insured under the **policy**, and the insured making claim:

- (1) Files a police report and cooperates with any law enforcement investigation relating to the act of **domestic abuse**; and
- (2) Did not cooperate in or contribute to the creation of the loss.

If **we** pay a claim payment relating to this **domestic abuse** provision, **our** payment to the insured is limited to that insured's insurable interest in the **insured property**, less any payments **we** first made to a mortgagee or other party with a legal secured interest in the **insured property**. In no event will **we** pay more than the limit of liability.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
IDAHO AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Items 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance**, are deleted and replaced by the following:

27. a. Cancellation – Mortgage Security Master Policy:

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the first **named insured** or the date **we** receive the request.
- (2) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- (3) If this **policy** has been in effect for more than 60 days, or is a renewal of a **policy we** issued, **we** may cancel this **policy** only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Fraud or material misrepresentation made by **you** or with **your** knowledge in obtaining the **policy**, continuing the **policy** or in presenting a claim under the **policy**;
 - (c) Acts or omissions on **your** part which increase any hazard insured against;
 - (d) Change in the risk which materially increases the risk of loss after the **policy** has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
 - (e) Loss of or decrease in reinsurance which provided **us** with coverage for all or part of the risk insured;
 - (f) A determination by the Director of Insurance that continuation of this **policy** would jeopardize **our** solvency or place **us** in violation of the insurance laws of Idaho or any other state; or
 - (g) Violation or breach by the **insured** of any **policy** terms or conditions other than nonpayment of premium.
- (4) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Cancellation – Mortgagor's Notice of Insurance:

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) **We** may cancel any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run 5 days following the date of postmark; or
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- (3) If any **Mortgagor's Notice of Insurance** has been in effect for more than 60 days, or is a renewal of a **Mortgagor's Notice of Insurance we** issued, **we** may cancel the **Mortgagor's Notice of Insurance** only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Fraud or material misrepresentation made by **you** or with **your** knowledge in obtaining the **Mortgagor's Notice of Insurance**, continuing the **Mortgagor's Notice of Insurance** or in presenting a claim under the **Mortgagor's Notice of Insurance**;

- (c) Acts or omissions on **your** part which increase any hazard insured against;
 - (d) Change in the risk which materially increases the risk of loss after the **Mortgagor's Notice of Insurance** has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
 - (e) Loss of or decrease in reinsurance which provided **us** with coverage for all or part of the risk insured;
 - (f) A determination by the Director of Insurance that continuation of this **Mortgagor's Notice of Insurance** would jeopardize **our** solvency or place **us** in violation of the insurance laws of Idaho or any other state; or
 - (g) Violation or breach by the **insured** of any **Mortgagor's Notice of Insurance** terms or conditions other than nonpayment of premium.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
- (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
- (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof or mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced by the following:

28. a. **Nonrenewal:**

- (1) **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured**, the first **named insured's** agent or broker, and/or the mortgagor at their last mailing addresses known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 45 days before the:
 - (a) Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - (b) Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- (2) **Other nonrenewal provisions:**
 - (a) If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, the **policy** and/or any **Mortgagor's Notice of Insurance** will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro rata at the rates applicable to the expiring **policy** and/or any **Mortgagor's Notice of Insurance**.
 - (b) **We** need not mail or deliver notice if:
 - (i) **We** have offered to renew this **policy** and/or any **Mortgagor's Notice of Insurance**;
 - (ii) **You** have obtained replacement coverage; or
 - (iii) **You** have agreed in writing to obtain replacement coverage.

The following provision, Item 28. b. **Renewal with Changes** is added to Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III:

28. b. **Renewal with Changes:**

- (1) If **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance**, and the renewal includes a total premium increase greater than ten percent (10%), which is the result of a comparable increase in premium rates, a change in deductible, and/or a reduction in limits or reduction in coverage, **we** will mail or deliver written notice to the first **named insured** and/or the mortgagor at the last mailing address known to **us**.
- (2) Any such notice will be mailed or delivered to the first **named insured** and/or mortgagor at least 30 days before the expiration or anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**.

- (3) If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
 - (a) 30 days after notice is given; or
 - (b) The effective date of replacement coverage obtained by the first **named insured**.
- (4) If the first **named insured** accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
- (5) If the first **named insured** elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring **policy** and/or any **Mortgagor's Notice of Insurance**.
- (6) If notice is mailed, proof of mailing will be sufficient proof of notice.

The following **Idaho Department of Insurance Contact Information** is added to the Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III:

Idaho Department of Insurance Contact Information:

Idaho Department of Insurance
Consumer Affairs
700 W State Street, 3rd Floor
PO Box 83720
Boise ID 83720-0043
1-800-721-3272 or 208-334-4250 or www.DOI.Idaho.gov

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
ILLINOIS AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, Section I – Master Policy, Definitions, is amended to include the following:

7. **Civil union** means a legal relationship formed between two persons of the same or opposite sex (*The Religious Freedom Protection and Civil Union Act, effective June 1, 2011*). The terms spouse, family, immediate family, dependent, next of kin, or other descriptive terms of spousal relationships, such as marriage or married, as used throughout this **policy** shall include parties of a **civil union**, whether recognized by Illinois law or the laws of any other jurisdiction. Descriptive terms such as child or children as used throughout this **policy** shall include children of a **civil union**.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 8. **Concealment, Misrepresentation or Fraud** is deleted and replaced with the following:

8. **Concealment, Misrepresentation or Fraud:**
- a. If this **policy** has been in effect for less than one year or one **policy** term, the **policy** shall be void if **you** or any mortgagor prior to issuance of the **policy**, committed fraud or intentionally concealed or misrepresented a material fact and such fraud or intentional concealment or misrepresentation is:
 - (1) Stated in the **policy**, or endorsement or in the written application for coverage; and
 - (2) Affected **our** decision to provide this insurance or the hazard **we** assumed.
 - b. This **policy** shall be void if **you** or any mortgagor at any time subsequent to the issuance of this **policy** commit fraud or intentionally conceal or misrepresent a material fact relating to:
 - (1) This **policy**;
 - (2) The **insured property**;
 - (3) **Your** interest in the **insured property**; or
 - (4) A claim under this **policy** or any **Mortgagor's Notice of Insurance**.
- If the **policy** is void due to any condition stated in 8.b.(1) through (4) above, **we** shall cancel the **policy** in accordance with the terms stated under the **Cancellation – Mortgage Security Master Policy** and/or **Cancellation – Mortgagor's Notice of Insurance** provisions of the **policy**.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal** is deleted and replaced with the following:

13. **Appraisal:** If **you** and **we** fail to agree on the amount of loss, either can demand that the amount of the loss be set by appraisal. Upon written demand, each party shall select a competent, disinterested appraiser and notify the other of the selected appraiser's identity within 20 days of receipt of the written demand. The appraisers shall then select a competent, disinterested umpire. If the two appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can request that a judge of a court having jurisdiction select the umpire. Each appraiser shall then appraise and state separately the amount of loss. If they fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two shall set the amount of the loss. **You** and **we** shall pay our own appraiser and shall bear other expenses of the appraisal and umpire equally except as provided below:
- a. **We** will pay **your** appraiser's fee and the umpire's appraisal fee, if the following conditions exist:
 - (1) **You** demanded the appraisal; and
 - (2) The full amount of loss, as set by **your** appraiser, is agreed to by **our** appraiser or by the umpire.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us** is deleted and replaced with the following:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance**:
- a. Unless there has been full compliance with all the terms of this **policy**; and
 - b. More than 2 years from the date of loss. However, **we** will extend this 2 year period by the number of days between the date proof of loss was filed with **us** and the date **we** denied the claim in whole or in part.

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for 60 days or less, **we** may cancel the **policy** by mailing to the first **named insured** at the last mailing address known to **us**, written notice of cancellation, stating the reason(s) of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- (3) If this **policy** has been in effect for more than 60 days, **we** shall not cancel the **policy** unless cancellation is based upon one or more of the following reasons:
 - (a) The **policy** was obtained through material misrepresentation;
 - (b) **You** have violated any of the terms and conditions of the **policy**;
 - (c) The risk originally accepted has measurably increased;
 - (d) Certification to the Director of Insurance of **our** loss of reinsurance that provided coverage for all or a substantial part of the underlying risk insured; or
 - (e) A determination by the Director of Insurance that continuation of the **policy** could place **us** in violation of the insurance laws of Illinois.

If **we** cancel for one or more of the above reasons, **we** will mail written notice of cancellation, stating the reason(s) of cancellation, to the first **named insured** at the last mailing address known to **us** at least:

- (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 60 days before the effective date of cancellation if **we** cancel for any of the allowed reasons.
- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration date, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
 - (5) Other termination provisions:
 - (a) Notice shall state the effective date of cancellation; the **policy** period will end on that date.
 - (b) Cancellation shall be effective even if **we** have not made or offered a refund.
 - (c) Notice shall provide **you** of potential eligibility and application procedures under the FAIR Plan.
 - (d) Notice shall advise **you** of procedures regarding **your** right to request a hearing appealing the cancellation.
 - (e) A copy of the notice shall be mailed to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (f) Proof of mailing by the United States Postal Service certificate of mailing shall be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or less and it is not a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation, stating the reason(s) of cancellation, at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for more than 60 days or if it is a renewal with **us**, **we** shall not cancel the **Mortgagor's Notice of Insurance** unless cancellation is based upon one or more of the following reasons:
 - (a) The **Mortgagor's Notice of Insurance** was obtained through material misrepresentation;
 - (b) **You** have violated any of the terms and conditions of the **Mortgagor's Notice of Insurance**;
 - (c) The risk originally accepted has measurably increased;
 - (d) Certification to the Director of Insurance of **our** loss of reinsurance that provided coverage for all or a substantial part of the underlying risk insured; or
 - (e) A determination by the Director of Insurance that continuation of the **Mortgagor's Notice of Insurance** could place **us** in violation of the insurance laws of Illinois.

If **we** cancel for one or more of the above reasons, **we** will mail written notice of cancellation, stating the reason(s) of cancellation, to the first **named insured** and the mortgagor at the last mailing addresses known to **us** at least:

- (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
- (b) 60 days before the effective date of cancellation if **we** cancel for any of the allowed reasons.

- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
- (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
- (a) Notice shall state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (b) Cancellation shall be effective even if **we** have not made or offered a refund.
 - (c) Notice shall provide **you** of potential eligibility and application procedures under the FAIR Plan.
 - (d) Notice shall advise **you** of procedures regarding **your** right to request a hearing appealing the cancellation.
 - (e) A copy of the notice shall be mailed to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (f) Proof of mailing by the United States Postal Service certificate of mailing shall be sufficient proof of notice.
 - (g) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

- (1) **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal, stating the reason(s) for nonrenewal, at least 60 days before the:
- (a) Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - (b) Anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- (2) Other nonrenewal provisions:
- (a) If **we** fail to provide the required notice of nonrenewal, coverage shall remain in effect for one year or until the effective date of any similar insurance is procured by the **insured**, whichever is earlier.
 - (b) If **we** offer to renew or continue the **policy** and/or a **Mortgagor's Notice of Insurance** and **you** do not accept, coverage will terminate at the end of the current **policy** period. Failure to pay the required renewal or continuation premium when due shall mean that **you** have not accepted **our** offer.
 - (c) Notice shall advise **you** of procedures regarding **your** right to request a hearing appealing the nonrenewal.
 - (d) Proof of mailing by the United States Postal Service certificate of mailing shall be sufficient proof of notice.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28.b. **Renewal with changes** is added as follows:

28. b. **Renewal with changes:**

Should **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** and the renewal includes an increase in premium of thirty percent (30%) or more or material changes in deductibles or coverages, **we** will mail to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of such changes at least 60 days before the renewal **policy** effective date. Proof of mailing by the United States Postal Service certificate of mailing shall be sufficient proof of notice.

The Mortgage Security Master Policy, Section II – Residential Property Coverage, Exclusions - Item 1.h. **Intentional act** and Section III – Commercial Property Coverage, Exclusions - Item 1.i. **Intentional act** are deleted and replaced with the following:

Intentional act: Meaning any action taken by or at the direction of **you** or any mortgagor committed with the intent to cause a loss or damage. This exclusion applies even if the person committing the act is insane, intoxicated or otherwise impaired if a person without that impairment would have committed such an act with the intent to cause loss or damage. Such action taken by or at the direction of the mortgagor, without **your** knowledge, shall not bar recovery by **you** as **your** interest may appear. **Your** use of reasonable force to protect insured **property** shall not be excluded.

This exclusion shall not apply to deny or to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

- (a) The loss arose out of a pattern of criminal domestic violence; and
- (b) The perpetrator of the loss is criminally prosecuted for the act causing the loss.

The Mortgage Security Master Policy, Section III – Commercial Property Coverage, Perils Insured Against, Item 8.c. **Vandalism and Malicious Mischief** is amended as follows:

We insure for direct loss to **insured property** caused by:

8. **Vandalism or malicious mischief**, meaning the willful and malicious damage to or destruction of **insured property**.

We shall not be liable for loss:

- c. If the **insured property** had been vacant for more than 60 consecutive days immediately preceding the loss, unless **we** had been notified in writing of such vacancy, the appropriate premium had been paid, and **you** had secured the **property** and conducted monthly inspections of the interior and exterior. Vacant means the **insured property** contains no contents or only minimal contents pertaining to operations or activities customary to occupancy of the building. A dwelling being constructed is not considered vacant.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
INDIANA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27. **Cancellation – Mortgage Security Master Policy** and **Cancellation – Mortgagor's Notice of Insurance**, are deleted and replaced with the following:

27. a. Cancellation – Mortgage Security Master Policy:

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** at any time by mailing or delivering to **us** advance written notice of the date cancellation is to take effect.
- (2) **We** may cancel this **policy** only for the reasons stated below by mailing or delivering to the first **named insured** at the last mailing address known to **us** advance written notice of the date cancellation is to take effect. Proof of mailing will be sufficient proof of notice.
 - (a) When **you** have not paid the premium **we** may cancel at any time by providing at least 10 days advance notice before the effective date of cancellation.
- (3) If this **policy** has been in effect for 60 days or less, **we** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 20 days before the effective date of cancellation if **you** have perpetrated a fraud or material misrepresentation on **us**;
 - (c) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- (4) If this **policy** has been in effect for more than 60 days, or is a renewal of a **policy** **we** issued, **we** may cancel this **policy**, only for one or more of the reasons listed below, by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 20 days before the effective date of cancellation if **you** have perpetrated a fraud or material misrepresentation on **us**;
 - (c) 45 days before the effective date of cancellation if:
 - (i) There has been a substantial change in the scale of risk covered by this **policy**;
 - (ii) Reinsurance of the risk associated with this **policy** has been cancelled; or
 - (iii) **You** have failed to comply with reasonable safety recommendations.
- (5) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled Cancellation – Mortgagor's Notice of Insurance.
- (6) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

27. b. Cancellation – Mortgagor's Notice of Insurance:

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) **We** may cancel any **Mortgagor's Notice of Insurance** only for the reasons stated below by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least:
 - (a) When **you** have not paid the premium **we** may cancel at any time by providing at least 10 days advance notice before the effective date of cancellation.
- (3) If any **Mortgagor's Notice of Insurance** has been in effect for 60 days or less, **we** may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 20 days before the effective date of cancellation if **you** have perpetrated a fraud or material misrepresentation on **us**;
 - (c) 30 days before the effective date of cancellation if **we** cancel for any other reason.

- (4) If any **Mortgagor's Notice of Insurance** has been in effect for more than 60 days, or is a renewal of any **Mortgagor's Notice of Insurance** we issued, we may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance**, only for one or more of the reasons listed below, by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least:
- (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 20 days before the effective date of cancellation if **you** have perpetrated a fraud or material misrepresentation on **us**;
 - (c) 45 days before the effective date of cancellation if:
 - (i) There has been a substantial change in the scale of risk covered by any **Mortgagor's Notice of Insurance**;
 - (ii) Reinsurance of the risk associated with any **Mortgagor's Notice of Insurance** has been cancelled; or
 - (iii) **You**, or the mortgagor, have failed to comply with reasonable safety recommendations.
- (5) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
- (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (6) Other termination provisions:
- (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 45 days before the:
- a. The expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**, if the policy is written for a term of one year or less; or
 - b. The anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
IOWA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the cancellation date.
- (3) If this **policy** has been in effect for 60 days or more or if it is a renewal with **us**, **we** may cancel this **policy** for one or more of the following conditions:
 - (a) Nonpayment of premium;
 - (b) Misrepresentation or fraud made by or with the knowledge of the first **named insured** in obtaining the **policy**, when renewing the **policy**, or in presenting a claim under the **policy**;
 - (c) Actions by the first **named insured** which substantially change or increase the risk insured;
 - (d) Determination by the commissioner that the continuation of the **policy** will jeopardize **our** solvency or will constitute a violation of the law of this or any other state; or
 - (e) Actions by the **named insured** that are known to be or should have been known to be in violation or breach of a **policy** term or condition.

We will mail or deliver to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the cancellation date when the action is the result of one or more of the above conditions.

- (4) If **we** lose reinsurance coverage that provides coverage for a significant portion of the risk insured and if the commissioner determines that cancellation because of loss of reinsurance coverage is justified, **we** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 30 days before the cancellation date.
- (5) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (6) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for cancellation.
 - (b) Notice of cancellation will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) A copy of the notice of cancellation will be mailed or delivered to a mortgagor, pledgee or other person shown in this **policy** to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If a **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the cancellation date.
- (3) If a **Mortgagor's Notice of Insurance** has been in effect for 60 days or more or if it is a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** for one or more of the following conditions:

- (a) Nonpayment of premium;
- (b) Misrepresentation or fraud made by or with the knowledge of the first **named insured** or mortgagor in obtaining, renewing, or in presenting a claim under the **Mortgagor's Notice of Insurance**;
- (c) Actions by the first **named insured** or mortgagor which substantially change or increase the risk insured;
- (d) Determination by the commissioner that the continuation of the **Mortgagor's Notice of Insurance** will jeopardize **our** solvency or will constitute a violation of the law of this or any other state; or
- (e) Actions by the **named insured** or mortgagor that are known to be or should have been known to be in violation or breach of a **Mortgagor's Notice of Insurance** term or condition.

We will mail or deliver to the first **named insured** and mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the cancellation date when the action is the result of one or more of the above conditions.

- (4) If **we** lose reinsurance coverage that provides coverage for a significant portion of the risk insured and if the commissioner determines that cancellation because of loss of reinsurance coverage is justified, **we** may cancel this **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 30 days before the cancellation date.
- (5) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for cancellation.
 - (b) Notice of cancellation will state the effective date of cancellation; the coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice of cancellation shall be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof or mailing will be sufficient proof of notice.
 - (e) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

- (1) If **we** elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance**, **we** will mail or deliver to the first **named insured** and/or mortgagor at the last mailing addresses known to **us**, written notice of nonrenewal at least 45 days before:
 - (a) The expiration of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - (b) The anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term greater than one year.
- (2) Other nonrenewal provisions:
 - (a) Notice shall include the effective date and reason(s) for nonrenewal.
 - (b) A copy of the notice of nonrenewal will be mailed or delivered to any mortgagor, pledgee or other person shown in this **policy** and/or any **Mortgagor's Notice of Insurance** to have an interest in any loss which may occur.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Renewal with changes:**

- (1) If **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** and the renewal includes an increase in premium of 25% or more, an increase in deductible of 25% or more, or a material reduction in limits or coverages, **we** will mail or deliver written notice of such changes to the first **named insured** and/or the mortgagor at the last mailing addresses known to **us** at least 45 days before the:
 - (a) The expiration date of the **policy** and/or **Mortgagor's Notice of Insurance**.
 - (b) The anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- (2) If **we** fail to provide the required notice as stated above, **you** may continue the **policy** and/or **Mortgagor's Notice of Insurance** at the existing premium rate for the remainder of the notice period plus an additional thirty days.
- (3) Other renewal provisions:
 - (a) A copy of the notice of renewal will be mailed or delivered to a mortgagor, pledgee or other person shown in this **policy** to have an interest in any loss which may occur.
 - (b) This section shall not apply if **you** have failed to pay a premium due or any advance premium required for renewal.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
KANSAS AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following definitions are added to the Mortgage Security Master Policy, Section I Master Policy, Definitions:

7. **Actual cash value** means the amount it would cost to repair or replace the damaged property with material of like kind and quality, less an allowance for physical deterioration and depreciation.
8. **Replacement cost** means the amount to repair or replace without deduction for depreciation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 8. **Concealment, Misrepresentation or Fraud** is deleted and replaced with the following:

8. **Concealment, Misrepresentation or Fraud:** We will not pay for any loss or damage under this **policy** and/or **Mortgagor's Notice of Insurance** when, in relation to **your** application for insurance, in obtaining or rating coverage, or in presenting a claim under this **policy** and/or **Mortgagor's Notice of Insurance**, **you** or any other insured at any time knowingly and with intent to defraud:
 - a. Presents, causes to be presented or prepares any written statement known to contain materially false information concerning any material fact and with the knowledge or belief that such statement will be presented to or by an insurer, supposed insurer, agent or broker; or
 - b. Intentionally conceals or misrepresents information concerning any material fact for the purpose of misleading.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal** is deleted and replaced with the following:

13. **Appraisal:** If, after a claim has been made, a dispute arises because **you** and **we** disagree on the value of the **property** or the amount of the loss, either may make a written request for an appraisal of the loss. **However, an appraisal will be made only if both you and we agree, voluntarily, to have the loss appraised.** If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either **you** or **we** may request a judge of a court having jurisdiction select an umpire. The appraisers will state separately the value of the **property** and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party shall pay the appraiser they selected. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by **you** and **us**. If there is an appraisal, **we** shall retain our right to deny the claim.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us** is deleted and replaced with the following:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
 - a. There has been full compliance with all the terms of this **policy**; and
 - b. The action is brought within 5 years after the date on which the direct physical loss or damage occurred.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
 - (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
 - (2) If this **policy** has been in effect for less than 90 days and it is not a renewal with **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
 - (3) If this **policy** has been in effect for 90 days or more, or if it is a renewal with **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 30 days before the effective date of cancellation if **we** cancel for any one or more of the following reasons:

- (i) The **policy** was issued because of material misrepresentation;
 - (ii) **You** or any insured violated any of the material terms and conditions of the **policy**;
 - (iii) Unfavorable underwriting factors specific to the first **named insured** are found to exist and such factors were not present at the inception of the **policy**;
 - (iv) The commissioner determines that continuation of coverage could place **us** in a hazardous financial condition or in violation of the laws of Kansas; or
 - (v) The commissioner determines that **we** no longer have adequate reinsurance required to meet **our** needs.
- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
- (a) Notice will clearly state the reason(s) for cancellation.
 - (b) Notice will clearly state the effective date of cancellation; the **policy** period will end on that date.
 - (c) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. **Cancellation – Mortgagor's Notice of Insurance:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 90 days and it is not a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
- (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for 90 days or more, or if it is a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
- (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 30 days before the effective date of cancellation if **we** cancel for any one or more of the following reasons:
 - (i) The **Mortgagor's Notice of Insurance** was issued because of material representation;
 - (ii) **You** or any insured and/or mortgagor violated any of the material terms and conditions of the **Mortgagor's Notice of Insurance**;
 - (iii) Unfavorable underwriting factors specific to the **named insured** are found to exist and such factors were not present at the inception of the **Mortgagor's Notice of Insurance**;
 - (iv) The commissioner determines that continuation of coverage could place **us** in a hazardous financial condition or in violation of the laws of Kansas; or
 - (v) The commissioner determines that **we** no longer have adequate reinsurance required to meet **our** needs.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
- (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
- (a) Notice will clearly state the reason(s) for cancellation.
 - (b) Notice will clearly state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (e) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:** **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal. Notice will state the reason(s) for nonrenewal. If notice is mailed, proof of mailing will be sufficient proof of notice.

We will mail or deliver notice at least 60 days before the:

- (1) Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
- (2) Anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
KENTUCKY AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy**, paragraph (2) is deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (2) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - (a) 14 days before the effective date of cancellation if **we** cancel for nonpayment of premium or if the **policy** has been in effect for 60 days or less; or
 - (b) 75 days before the effective date of cancellation if the **policy** has been in effect for more than 60 days.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.b. **Cancellation – Mortgagor's Notice of Insurance**, paragraph (2) is deleted and replaced with the following:

27. b. **Cancellation – Mortgagor's Notice of Insurance:**

- (2) **We** may cancel any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least:
 - (a) 14 days before the effective date of cancellation if **we** cancel for nonpayment of premium or if the **policy** has been in effect for 60 days or less; or
 - (b) 75 days before the effective date of cancellation if the **policy** has been in effect for more than 60 days.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** **We** may elect not to renew the **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 75 days before the:
- a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

The Mortgage Security Master Policy, Section II – Residential Property Coverage, **Exclusions**, and Section III – Commercial Property Coverage, **Exclusions**, is amended as follows:

In regard to any exclusion covering intentional acts of the insured, **we** will not deny payment to an innocent co-insured if the covered loss occurs because of domestic violence or abuse and the perpetrator of the loss is criminally prosecuted for the act causing the loss.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
AMENDATORY ENDORSEMENT
LOUISIANA**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- I. The Mortgage Security Master Policy, Section I - Master Policy, General Provisions Applicable to Sections II and III, Item 16.e. **Loss payment** is deleted and replaced with the following:

16. Loss payment:

- e. Within 30 days after **our** receipt of **your** satisfactory sworn statement of loss, **we** will pay **you** the undisputed portion of the loss. In the event of a dispute; **we** will pay **you** any remaining amounts due for the disputed portion after:
- (1) **You** have complied with all terms and conditions of this **policy**; and
 - (2) **We** have reached an agreement with **you** regarding the amount of the disputed portion of the loss or the amount of the disputed portion has been established by appraisal.

- II. The Mortgage Security Master Policy, Section I – Master Policy, General Provisions Applicable to Sections II and III, Item 8. **Concealment, Misrepresentation or Fraud** is deleted and replaced with the following:

8. Concealment, Misrepresentation or Fraud:

- a. This entire **policy** shall be void if during the application process, with the intent to deceive, **you** have:
- (1) Willfully concealed or misrepresented any material fact or circumstance concerning this insurance (including the **property** or persons insured and **your** interests); or
 - (2) Have engaged in any fraud or false swearing relating thereto.
- With respect to a particular claim, if **you** or any other **insured** under this **policy** has intentionally concealed or misrepresented any material fact with the intent to deceive, then this **policy** is void as to that person for the claim.
- b. For loss caused by the peril of fire, **our** obligation for coverage will be reduced in proportion to the prejudice **we** suffer because of a breach of any representation, warranty or condition contained in this **policy** by **you** or any other **insured** if:
- (1) Such breach exists at the time of loss and would increase either the moral or physical hazard under this **policy**; or
 - (2) Such a breach would be a violation of a warranty or condition requiring **us** to take and keep inventories and books showing a record of his business.
- Such a breach shall not be made a defense to a suit on this **policy** if:
- (1) The fact or facts constituting such a breach existing at the time the **policy** was issued and were known by **us** or any of **our** officers or **our** agent; or
 - (2) The fact or facts constituting such a breach existed at the time of loss and, at that time, were known to **us** or any of **our** officers or **our** agent.
- In case of fraud on the part of **our** officer or agent or the **insured**, or collusion between **our** officer or agent and the **insured**, this condition does not apply.

Any attempt at a defense of material misrepresentation made by the **insured** regarding the value of the contents of the residence is not grounds to void total coverage of this **policy** based on such misrepresentation, unless a court of competent jurisdiction determines and adjudicates otherwise. Such judicial determination shall apply to the claim that is the subject of the litigation and shall not apply retroactively to any claim that occurred prior to the loss that is the basis of the claim that is the subject of the litigation.

- III. The Mortgage Security Master Policy, Section I – Master Policy, General Provisions Applicable to Sections II and III, Item 12. **Your duties and the mortgagor's duties after loss** is amended with the addition of the following paragraph:

- 12. Your duties and the mortgagor's duties after loss:** In case of a loss to which this insurance may apply, **our** liability for the payment of any loss is conditioned upon the performance by **you** or the mortgagor of the following duties:

For covered losses that were caused by a catastrophic event for which a state of disaster or emergency was declared pursuant to law by civil officials, for those areas within the declaration, the time limit for submitting **your** signed, sworn proof of loss is extended to 180 days. This time will not commence as long as a declaration of emergency is in existence and civil authorities are denying **you** access to the damaged **property**.

IV. The Mortgage Security Master Policy, Section I – Master Policy, General Provisions Applicable to Sections II and III, Item 13. **Appraisal** is amended as follows:

13. **Appraisal:** In the event of a dispute whereby **you** and **we** fail to agree on the amount of loss, either may make written demand for the amount of loss to be set by appraisal. Upon such demand, each party shall select a competent, disinterested appraiser and notify the other of the selected appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, disinterested umpire. If the two appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can request that the selection be made by a judge of a court having jurisdiction. Each appraiser shall state separately the amount of loss. If they fail to agree, they shall submit their differences to the umpire. Written agreement signed by any two shall set the amount of the loss. Each party shall pay the appraiser they selected and bear the other expenses of the appraisal and the umpire equally. Any outcome of the appraisal shall not be binding on either party. Judicial resolution of the disputed amount shall not be forfeited. If there is an appraisal, **we** will still retain **our** right to deny the claim.

V. The Mortgage Security Master Policy, Section I – Master Policy, General Provisions Applicable to Sections II and III, Item 14. **Subrogation** is deleted and replaced with the following:

14. **Subrogation:** Before a loss occurs, **you** or the mortgagor may waive in writing all rights of recovery against any person. If not waived, **we** may require an assignment of rights of recovery for a loss up to the amount of any payment made by **us**; however, **our** right to subrogation is secondary to **your** right and the right of the mortgagor to be fully compensated for the loss. If an assignment is sought, **you** and the mortgagor shall cooperate with **us**, including signing and delivering to **us** all related papers. Additionally, **we** agree to pay **our** portion of **your** and the mortgagor's attorneys' fee or other costs associated with a claim or lawsuit to the extent that **we** recover any portion of the benefits paid under this **policy** pursuant to **our** right of subrogation.

You and the mortgagor shall also be entitled to waive in writing after loss without invalidating this **policy** the right of recovery against any of the following:

- a. Anyone insured under the same **policy**;
- b. A corporation, partnership or other entity in which **you** or the mortgagor own stock or have a proprietary interest;
- c. Anyone who owns stock or has a proprietary interest in **you** or the mortgagor;
- d. An employee or employer of **yours** or the mortgagor ;
- e. Anyone having an interest as owner, lessor, or lessee of the **insured property** or the **property** on which the loss occurred and the employees, partners, and stockholders of such owner, lessor, or lessee;
- f. Any of **your** or the mortgagor relatives by blood or marriage.

We shall be entitled to recover from **you** and the mortgagor as applicable, any compensation received by **you** or the mortgagor for such waiver after loss not to exceed the amount paid to **you** or the mortgagor for such loss by **us**.

VI. The Mortgage Security Master Policy, Section I – Master Policy, General Provisions Applicable to Sections II and III, Item 15. **Legal action against us** is deleted and replaced with the following:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless the action is brought within 2 years after **you** first have knowledge of the loss.

VII. The Mortgage Security Master Policy, Section I – Master Policy, General Provisions Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and Item 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the mailing address shown in the Declarations written notice of cancellation as follows:
 - (a) When this **policy** has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel by providing notice at least:
 - (i) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (ii) 60 days before the effective date of cancellation if **we** cancel for any other reason.
 - (b) When this **policy** has been in effect for 60 days or more or at any time if it is a renewal with **us**, **we** may cancel only for the following reasons:
 - (i) Nonpayment of premium;
 - (ii) Fraud or material misrepresentation made by **you** or with **your** knowledge in obtaining the **policy**, continuing the **policy**, or in presenting a claim under the **policy**;

- (iii) Activities or omissions on **your** part which change or increase any hazard insured against, including a failure to comply with loss control recommendations;
- (iv) Change in the risk which increases the risk of loss after insurance coverage has been issued or renewed, including an increase in exposure due to regulation, legislation, or court decision;
- (v) Determination by the commissioner of insurance that the continuation of the **policy** would jeopardize **our** solvency or would place **us** in violation of the insurance laws of this state or any other state;
- (vi) Violation or breach by the insured of any policy terms or conditions; or
- (vii) Other reasons that are approved by the commissioner of insurance.

Under this paragraph, **we** may cancel by providing notice at least:

- (i) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
- (ii) 30 days before the effective date of cancellation if **we** cancel for a reason listed in **27.a. (2) (b) (ii)** through **27.a. (2) (b) (vii)** above.

- (3) If **your** premium payment check or other negotiable instrument is returned to **us** or **our** agent because it is uncollectible for any reason, **we** may cancel the **policy** subject to the following:

- (a) **We** may cancel the **policy** effective from the date the premium payment was due, by sending **you** written notice by certified mail, or by delivering such notice to **you** within 10 days of the date that **we** receive notice of the returned check or negotiable instrument.
- (b) The cancellation notice will also advise **you** that the **policy** will be reinstated effective from the date the premium payment was due, if **you** present to **us** a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation notice was mailed.

- (4) When this **policy** is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded on a pro rata basis. If the return premium is not refunded with the notice of cancellation or when this **policy** is returned to **us**, **we** will refund it within 30 days after the date cancellation takes effect. However, if **we** cancel based on paragraph **27.a. (3)**, **we** will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **27.a. (3) (b)**.

- (5) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.

- (6) Other termination provisions:

- (a) Notice of cancellation will state the effective date of cancellation; the **policy** period will end on that date.
- (b) Upon **your** written request, **we** shall provide **you** written notice of the reason(s) for cancellation.
- (c) If notice is mailed, proof of mailing will be sufficient proof of notice.
- (d) Notice of cancellation will also be mailed or delivered to each mortgagee, pledgee, or other known person shown by the **policy** to have an interest in any loss which may occur.

b. Cancellation – Mortgagor's Notice of Insurance:

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.

- (2) **We** may cancel a **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their mailing addresses shown in the Declarations written notice as follows:

- (a) When a **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel by providing notice at least:
 - (i) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (ii) 60 days before the effective date of cancellation if **we** cancel for any other reason.
- (b) When a **Mortgagor's Notice of Insurance** has been in effect for 60 days or more or at any time if it is a renewal with **us**, **we** may cancel only for the following reasons:
 - (i) Nonpayment of premium;
 - (ii) Fraud or material misrepresentation made by **you** or the mortgagor, or with **your** or the mortgagor's knowledge, in obtaining, continuing, or in presenting a claim under a **Mortgagor's Notice of Insurance**;
 - (iii) Activities or omissions on **your** or the mortgagor's part which change or increase any hazard insured against, including a failure to comply with loss control recommendations;
 - (iv) Change in the risk which increases the risk of loss after insurance coverage has been issued or renewed, including an increase in exposure due to regulation, legislation, or court decision;
 - (v) Determination by the commissioner of insurance that the continuation of the **Mortgagor's Notice of Insurance** would jeopardize **our** solvency or would place **us** in violation of the insurance laws of this state or any other state;
 - (vi) Violation or breach by the insured of any policy terms or conditions; or
 - (vii) Other reasons that are approved by the commissioner of insurance.

Under this paragraph, **we** may cancel by providing notice at least:

- (i) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
- (ii) 30 days before the effective date of cancellation if **we** cancel for a reason listed in **27.b. (2) (b) (ii) through 27.b. (2) (b) (vii)** above.

- (3) If **your** premium payment check or other negotiable instrument is returned to **us** or **our** agent because it is uncollectible for any reason, **we** may cancel the **Mortgagor's Notice of Insurance** subject to the following:
 - (a) **We** may cancel the **Mortgagor's Notice of Insurance** effective from the date the premium payment was due, by sending **you** written notice by certified mail, or by delivering such notice to **you** within 10 days of the date that **we** receive notice of the returned check or negotiable instrument.
 - (b) The cancellation notice will also advise **you** and the mortgagor that the **Mortgagor's Notice of Insurance** will be reinstated effective from the date the premium payment was due, if **you** present to **us** a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation notice was mailed.
- (4) When this **Mortgagor's Notice of Insurance** is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded on a pro rata basis. If the return premium is not refunded with the notice of cancellation or when this **Mortgagor's Notice of Insurance** is returned to **us**, **we** will refund it within 30 days after the date cancellation takes effect. However, if **we** cancel based on paragraph **27.b. (3)**, **we** will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **27.b. (3) (b)**.
- (5) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on the **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on the **Mortgagor's Notice of Insurance**.
- (6) Other termination provisions:
 - (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in the **Mortgagor's Notice of Insurance** will end on that date;
 - (b) Cancellation will be effective even if **we** have not made or offered a refund;
 - (c) Upon **your** written request, **we** shall provide **you** written notice of the reason(s) for cancellation.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice;
 - (e) Notice of cancellation will also be mailed or delivered to each mortgagee, pledgee, or other known person shown to have an interest in any loss which may occur; and
 - (f) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

VIII. The Mortgage Security Master Policy, Section I – Master Policy, General Provisions Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. Nonrenewal:

- a. **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured**, the first **named insured's** agent or broker, and/or the mortgagor at the mailing addresses shown in the Declarations and/or **Mortgagor's Notice of Insurance**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 60 days before the:
 - (1) Expiration of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - (2) Anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- b. **We** need not mail or deliver notice if:
 - (1) **We** or another company within **our** insurance group have offered to issue a renewal **policy**; or
 - (2) **You** and/or the mortgagor have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- c. Such notice to the first **named insured** shall include the insured's loss run information for the period the **policy** has been in force within, but not to exceed, the last three years of coverage.

IX. The Mortgage Security Master Policy, Section I – Master Policy, General Provisions Applicable to Sections II and III, Item 29. **Premium Refunds** is deleted and replaced with the following:

29. **Premium refunds:**

- a. If either **you** or **we** cancel a **Mortgagor's Notice of Insurance**, **we** will refund the unused portion of the premium computed on a pro rata basis.
- b. Refunds due **you** on a **Mortgagor's Notice of Insurance** that cancelled due to foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title will be made directly to **you** as soon as practicable after **you** have notified **us** of the date of foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title. Cancellation shall be effective as of such date even if **you** have failed to provide such notice to **us**.
- c. Refunds due **you** because of cancellation, elimination, or reduction of coverage by **you** or **us** shall be accompanied with interest at the rate of one and one-half percent per month of the amount of the refund due and shall be made within 30 days after either of the following:
 - (1) **Our** delivery of the written notice of cancellation, elimination, or reduction of coverage to **you**; or
 - (2) **Our** receipt of **your** written request for such cancellation, elimination, or reduction of coverage.

However, payment or the return of unearned premium is not a consideration of cancellation. Refunds of premium other than those described above will be made directly to **you** either at the time cancellation is effected or as soon as practicable after cancellation becomes effective. Proof of mailing to the last known mailing addresses shown in the Declarations shall be sufficient proof of notice.

- X. The Mortgage Security Master Policy, Section II – Residential Property Coverage, Perils Insured Against Item 8. is deleted and replaced with the following:

8. Wear and tear, marring, deterioration; inherent vice, latent defect, mechanical breakdown; smog, rust or corrosion, or smoke from agricultural smudging or industrial operation; discharge, dispersal, seepage, migration, release or escape of pollutants. **Pollutants** means 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). If any of these cause water damage not otherwise excluded from a plumbing, heating, air conditioning, automatic fire protective sprinkler system, or household appliance, **we** cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from which the water escaped.

- XI. The Mortgage Security Master Policy, Section II – Residential Property Coverage, Perils Insured Against Item 10. is deleted and replaced with the following:

10. Vandalism and malicious mischief to **property** that is vacant or unoccupied beyond a period of 60 consecutive days unless **you** have secured the **property** and conduct monthly inspections of the interior and exterior. A dwelling being constructed is not considered vacant.

- XII. The Mortgage Security Master Policy, Section III – Commercial Property Coverage, Perils Insured Against, Item 8. c. is deleted and replaced with the following:

8. **Vandalism or malicious mischief**, meaning the willful and malicious damage to or destruction of **insured property**. **We** shall not be liable for loss:
 - c. If the **insured property** had been vacant beyond a period of 60 consecutive days immediately preceding the loss, unless **we** had been notified of such vacancy, the appropriate premium had been paid, and **you** had secured the **property** and conducted monthly inspections of the interior and exterior. Vacant means the **insured property** contains no contents or only minimal contents pertaining to operations or activities customary to occupancy of the building.

- XIII. The Mortgage Security Master Policy, Section II – Residential Property Coverage, Exclusions Item 1.d. is deleted and replaced with the following:

1. d. **Fungus**, wet rot, dry rot and bacteria; meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. **Fungus** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi; **bacteria** means any type, kind or form of bacterium. However, if the fungus, wet rot, dry rot or bacteria results in a covered cause of loss, **we** will pay for the loss or damage caused by that covered cause of loss.
This exclusion does not apply:
 - (1) When fungus, wet rot, dry rot or bacteria results from fire or lightning;
 - (2) To the extent that coverage is provided by endorsement with respect to loss or damage by a cause of loss other than fire or lightning; or

(3) With respect to fungus, wet rot, dry rot or bacteria that is located on the portion of the covered **property** that must be repaired or replaced because of direct physical damage caused by a covered cause of loss.

However, this exclusion shall continue to apply to the cost of testing for, treating, containing, removing or disposing of fungus, wet rot, dry rot or bacteria beyond that which is required to repair or replace the covered **property** physically damaged by a covered cause of loss, except to the extent that coverage is provided by endorsement.

XIV. The Mortgage Security Master Policy, Section III – Commercial Property Coverage, Exclusions Item 1.h. is deleted and replaced with the following:

1. h. **Fungus, wet rot, dry rot and bacteria**; meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. **Fungus** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi; **bacteria** means any type, kind or form of bacterium. However, if the fungus, wet rot, dry rot or bacteria results in a covered cause of loss, **we** will pay for the loss or damage caused by that covered cause of loss.

This exclusion does not apply:

- (1) When fungus, wet rot, dry rot or bacteria results from fire or lightning;
- (2) To the extent that coverage is provided by endorsement with respect to loss or damage by a cause of loss other than fire or lightning; or
- (3) With respect to fungus, wet rot, dry rot or bacteria that is located on the portion of the covered **property** that must be repaired or replaced because of direct physical damage caused by a covered cause of loss.

However, this exclusion shall continue to apply to the cost of testing for, treating, containing, removing or disposing of fungus, wet rot, dry rot or bacteria beyond that which is required to repair or replace the covered **property** physically damaged by a covered cause of loss, except to the extent that coverage is provided by endorsement.

XV. The Mortgage Security Master Policy, Section II – Residential Property Coverage, Exclusions, Item 1. I. **Pollution** is added as follows:

1. I. **Pollution:**

- (1) Any actual or alleged violation of the responsibilities, obligations or duties imposed by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Clean Air Act (CAA), the Clean Water Act (CWA), or any other similar federal, state or local law or regulation by any **insured** or any person for whom the **insured** may be held responsible; or
- (2) Any direction or order or request that any **insured**, or any person for whom the **insured** might be held responsible, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants; or any voluntary decision to do so, including without limitation any claim by or on **your** behalf based upon, attributable to, or arising out of the matters described in this exclusion.

This exclusion applies to all such claims whether or not the **insured** had knowledge of action taken in violation of such laws and whether or not the **insured** participated in or could have prevented such activities.

XVI. The Mortgage Security Master Policy, Section II – Residential Property Coverage, Other Provisions, Item 1. **Loss Settlement** is deleted and replaced with the following:

1. **Loss Settlement:** Subject to the applicable limit of liability, losses to **insured property** are settled as follows:

- a. Other structures that are not buildings, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace.
- b. Roofs (except for fire peril), carpeting, domestic appliances, awnings, outdoor equipment, whether or not attached to buildings, and outdoor antennas, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace.
- c. Buildings under Coverage A – Dwelling or Coverage B – Other Structures:
 - (1) At repair or replacement cost without deduction for depreciation, but not to exceed the lesser of:
 - (a) The repair or replacement cost of that part of the building damaged using building materials of like kind and quality to place the **property** in a habitable condition for use on the same premises; or
 - (b) The amount actually and necessarily spent to repair or replace the damaged building.
 - (2) When the cost to repair or replace the damage is more than \$1,000 or more than 5% of the dwelling limit of liability as described in the **Mortgagor's Notice of Insurance**, whichever is less, **we** will pay no more than the actual cash value of the damage until actual repair or replacement is completed. **You** may make claim within 180 days after the loss for any additional expenses incurred to repair or replace.

We may at our option replace the **insured property** with property of like kind and quality. If, as a result of such replacement, **we** pay an amount equal to the actual cash value of the **insured property** before the loss, at our option **we** have the right to take legal title of the **insured property**.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
REAL ESTATE OWNED ENDORSEMENT
LOUISIANA**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that in consideration of an additional premium paid by the mortgagee and upon the mortgagee's request for coverage, **we** agree to provide coverage as described below for residential or commercial **properties** owned by **you** as a result of foreclosure or voluntary conveyance.

COVERAGE

Coverage shall be effective the latest of either:

1. The date of foreclosure or voluntary conveyance; or
2. The cancellation or expiration date, after foreclosure or voluntary conveyance, of an existing insurance policy when a renewal or replacement policy has not been received by **you** as of that date.

TERM

At **your** option, coverage may be provided for a monthly, quarterly, semi-annual, or annual term.

1. If a monthly term is selected, the following provisions shall apply to all residential and commercial **properties** covered:
 - a. **You** shall maintain and forward a schedule, as defined below, to **us** on a monthly basis listing the location of all **properties** for which this coverage applies and include:
 - (1) Description of each **property** and its occupancy;
 - (2) Address of each **property**;
 - (3) Amount of insurance under this **policy**;
 - (4) Effective date of coverage under this **policy**;
 - (5) Expiration or cancellation date of coverage provided by this **policy**;
 - (6) Number of days coverage is in force under this **policy**;
 - (7) Premium for each entry calculated in accordance with premium tables to be provided by **us**.
 - b. The schedule shall be forwarded to **us** not less than fifteen (15) days after the last day of the month for which coverage applies.
2. If a quarterly, semi-annual, or annual term is selected, the following provisions shall apply to all residential and commercial **properties** covered:
 - a. Coverage shall apply to those **properties** reported to **us** by written application received no later than thirty (30) days after the requested effective date. A Certificate shall be issued for each location of covered **property** for a quarterly, semi-annual or annual term from the date specified by **you**.
 - b. The premium payable for each Certificate shall be calculated according to schedules to be provided by **us**.
3. **You** understand that the premium rate is a monthly per **property** rate. If coverage for a **property** is cancelled mid-term, any unearned premium shall be computed on a pro-rata basis. If coverage for a **property** is cancelled prior to the premium being paid, **you** shall be liable to **us** for the premium due for the period during which coverage was in force.

LIMITS OF RECOVERY

1. **Our** liability hereunder for loss to any dwelling and other structures shall be per the provisions found in Section II, Residential Property Coverage, and in no event shall exceed the limit of liability as shown in the Mortgage Security Master Policy Declarations.
2. **Our** liability hereunder for loss to any building shall be per the provisions found in Section III – Commercial Property Coverage, and in no event shall exceed the limit of liability as shown in the Mortgage Security Master Policy Declarations.

DEDUCTIBLE

The deductible(s) shown in the Mortgage Security Master Policy Declarations shall apply separately for each loss to each dwelling, other structure, or building.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.

POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE
---------------	---------------	----------------

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
MAINE AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 1. **Term of Notice** is deleted and replaced with the following:

1. **Term of Notice:** Coverage shall apply to those **properties** reported to **us** by written application. A **Mortgagor's Notice of Insurance** shall be issued to each mortgagor for the coverage term specified on each **Notice**. If the **property** described in the **Notice** is also covered by other insurance, **our** coverage shall not become effective until after all other insurance has terminated.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 8. **Concealment, Misrepresentation or Fraud** is deleted and replaced with the following:

8. **Concealment, Misrepresentation or Fraud:** **We** shall not provide coverage under this **policy** if **you**, or any other **insured**, intentionally conceals or misrepresents a material fact, engages in fraudulent activity or conduct, or makes a false statement concerning:
 - a. This **policy**;
 - b. The **insured property**;
 - c. **Your** interest in **insured property**; or
 - d. A claim under this **policy** or any **Mortgagor's Notice of Insurance**.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
 - (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
 - (2) If this **policy** has been in effect for less than 60 days and it is not a renewal with **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation to be effective no sooner than 10 days after notice is received.
 - (3) If this **policy** has been in effect for 60 days or more or if it is a renewal with **us**, **we** shall not cancel the **policy** unless cancellation is based upon one or more of the reasons listed below:
 - (a) Nonpayment of premium;
 - (b) Fraud or material misrepresentation made by or with the knowledge and consent of the first **named insured** in obtaining, continuing, or presenting a claim under the **policy**;
 - (c) The occurrence of a substantial change in risk, including, but not limited to, an increase in exposure due to regulation, legislation or court decision, that increases the risk of loss after the **policy** has been issued or renewed;
 - (d) Failure of the first **named insured** to comply with reasonable loss control recommendations;
 - (e) The occurrence of a substantial breach of contractual duties, conditions, or warranties by the first **named insured**; or
 - (f) A determination by the Superintendent of Insurance that continuation of the class of business to which this **policy** belongs will jeopardize **our** solvency or will place **us** in violation of the insurance laws of Maine or any other state.If **we** cancel for one or more of the above reasons, **we** will mail or deliver to the first **named insured** at the last mailing address known to **us**, written notice of cancellation to be effective no sooner than 10 days after notice is received.
 - (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
 - (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation.
 - (b) Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, a post-office certificate of mailing to the first **named insured** at the last known address is conclusive proof of receipt of notice on the 3rd calendar day after mailing.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and it is not a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation to be effective no sooner than 10 days after notice is received.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more or if it is a renewal with **us**, **we** shall not cancel the **Mortgagor's Notice of Insurance** unless cancellation is based upon one or more of the reasons listed below:
 - (a) Nonpayment of premium;
 - (b) Fraud or material misrepresentation made by or with the knowledge and consent of the first **named insured** and/or mortgagor in obtaining, continuing, or presenting a claim under the **Mortgagor's Notice of Insurance**;
 - (c) The occurrence of a substantial change in risk, including, but not limited to, an increase in exposure due to regulation, legislation or court decision, that increases the risk of loss after the **Mortgagor's Notice of Insurance** has been issued or renewed;
 - (d) Failure of the first **named insured** and/or the mortgagor to comply with reasonable loss control recommendations;
 - (e) The occurrence of a substantial breach of contractual duties, conditions, or warranties by the first **named insured** and/or the mortgagor; or
 - (f) A determination by the Superintendent of Insurance that continuation of the class of business to which this **Mortgagor's Notice of Insurance** belongs will jeopardize **our** solvency or will place **us** in violation of the insurance laws of Maine or any other state.

If **we** cancel for one or more of the above reasons, we will mail or deliver to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation to be effective no sooner than 10 days after notice is received.

- (4) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation.
 - (b) Notice will state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, a post-office certificate of mailing to the first **named insured** and the mortgagor at the last mailing addresses known to **us** is conclusive proof of receipt of notice on the 3rd calendar day after mailing.
 - (e) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

- (1) **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal to be effective no sooner than 30 days after notice is received.
- (2) Other nonrenewal provisions:
 - (a) Notice will state the reason(s) for nonrenewal.
 - (b) If notice is mailed, a post-office certificate of mailing to the first **named insured** and/or the mortgagor at the last mailing addresses known to **us** is conclusive proof of receipt of notice on the 3rd calendar day after mailing.
 - (c) If **we** provide an extension of coverage after **you** receive notice and the extension is no greater than 90 days, an additional notice with respect to the extended coverage will not be required.

b. **Renewal with Changes:**

- (1) Should **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** and the renewal includes less favorable terms to the insured, and/or a higher rate or rating plan, **we** will mail or deliver written notice to the first **named insured** and/or the mortgagor at least 30 days prior to the renewal **policy** effective date.
- (2) Should **we** fail to provide at least 30 days prior notice; **you** may elect to cancel the renewal **policy** within the 30-day period after notice is received. Any earned premium for the period of coverage that the renewal **policy** may have been in force shall be calculated pro rata at the lower of the current or previous year's rate.
- (3) Additional notice of renewal shall not be required if the change in terms is a rate, form or plan filed with the Superintendent of Insurance and applicable to the entire class of business to which the **policy** belongs, or if the renewal includes a premium increase that is the result of the altered nature or extent of the risk insured against.
- (4) If notice is mailed, a post-office certificate of mailing to the first **named insured** and/or the mortgagor at the last mailing addresses known to **us** is conclusive proof of receipt of notice on the 3rd calendar day after mailing.

The Mortgage Security Master Policy, Section I – Master Policy, Definitions, Item 7. **Actual Cash Value** is added as follows:

7. **Actual Cash Value** means the replacement cost of **insured property** at the time of loss, less the value of physical depreciation as to the damage **property**. The term physical depreciation means a value as determined according to standard business practices.

The following provision is added to the Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 16. **Loss payment:**

16. f. **Post-Judgment Interest:** In accordance with the laws of Maine, **we** will pay the accrued interest of a judgment after it has been entered; however, **our** duty to pay interest shall end when **we** pay, offer to pay, or deposit with the court that portion of the judgment not exceeding the limit of liability of the coverage provided under this **policy**. This payment will not reduce the limit of liability of the applicable coverage.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
MARYLAND AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 8. **Concealment, Misrepresentation or Fraud** is deleted and replaced with the following:

8. **Concealment, Misrepresentation or Fraud:** We shall provide no coverage under this **policy** when at any time **you**, the mortgagor, or any other insured has intentionally concealed or misrepresented a material fact or circumstance, or has acted fraudulently or made false statements concerning:
- This **policy**;
 - The **insured property**;
 - Your** interest in **insured property**; or
 - A claim under this **policy** or any **Mortgagor's Notice of Insurance**.
- Any act or acts of concealment, misrepresentation or fraud by the mortgagor shall bar recovery by any person, except with respect to **your** interest as provided for in the **policy**.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us** is deleted and replaced with the following:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
- There has been full compliance with all the terms of this **policy**; and
 - The action is filed within 3 years from the date the loss accrues.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
 - (2) If this **policy** has been in effect for 45 days or less or at any time if **you** have not paid the premium, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
 - (3) If this **policy** has been in effect for more than 45 days, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 45 days before the effective date of cancellation if **we** cancel for any one or more of the following reasons:
 - (i) Material misrepresentation or fraudulent acts in connection with **your** application for coverage, of any contractual provisions, or in the presentation of a claim under the **policy**;
 - (ii) Any matter or issue related to the risk that constitutes a threat to public safety; or
 - (iii) A change in the condition of the risk that results in an increase in the hazard insured against.
 - (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
 - (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation; additional information shall be made available upon **your** written request.
 - (b) Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for 45 days or less or at any time if **you** have not paid the premium, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for more than 45 days, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 45 days before the effective date of cancellation if **we** cancel for any one or more of the following reasons:
 - (i) Material misrepresentation or fraudulent acts in connection with **your** application for coverage, of any contractual provisions, or in the presentation of a claim under the **Mortgagor's Notice of Insurance**;
 - (ii) Any matter or issue related to the risk that constitutes a threat to public safety; or
 - (iii) A change in the condition of the risk that results in an increase in the hazard insured against.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation; additional information shall be made available upon **your** written request.
 - (b) Notice will state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice will be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (e) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:** **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal. Notice will state the reason(s) for nonrenewal. If notice is mailed, proof of mailing will be sufficient proof of notice.
We will mail or deliver notice at least 45 days before the:
- a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- b. **Renewal with changes:** Should **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** and the renewal includes an increase in premium, **we** will mail or deliver to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of renewal at least 45 days before the renewal **policy** effective date. Notice will include the current and renewal **policy** premium. If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
MINNESOTA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 12. **Your duties and the mortgagor's duties after loss**, paragraph g. is deleted and replaced with the following:

12. Your duties and the mortgagor's duties after loss:

- g. As often as **we** may require, after being informed of the right to counsel and that any answers may be used against **you** in later civil or criminal proceedings, submit to examinations under oath by any person named by **us** and sign the transcript of the examinations.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy**, paragraph (2) is deleted and replaced with the following:

27. a. Cancellation – Mortgage Security Master Policy:

- (2) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 60 days before the effective date of cancellation if **we** cancel for any other reason.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.b. **Cancellation – Mortgagor's Notice of Insurance**, paragraph (2) is deleted and replaced with the following:

27. b. Cancellation – Mortgagor's Notice of Insurance:

- (2) **We** may cancel any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 60 days before the effective date of cancellation if **we** cancel for any other reason.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

- 28. Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 60 days before the:
- a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
MISSISSIPPI AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us**, is deleted and replaced with the following:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
- a. There has been full compliance with all the terms of this **policy**; and
 - b. The action is brought within 3 years after the date on which the direct physical loss or damage occurred.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
MISSOURI AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, **Your duties and the mortgagor's duties after loss** Item 12. e. is amended as follows:

12. **Your duties and the mortgagor's duties after loss:** In case of a loss to which this insurance may apply, **our** liability for the payment of any loss is conditioned upon the performance by **you** or the mortgagor of the following duties:
- e. Send to **us** within 60 days after loss the list described in 12(d), a proof of loss signed and sworn to by **you** and the mortgagor, including:
 - (1) The time and cause of loss;
 - (2) The interest of **you**, the mortgagor and all others in **insured property**;
 - (3) All encumbrances on **insured property**;
 - (4) Other insurance that may cover the loss;
 - (5) Changes in title, use, occupancy or possession of **insured property**; and
 - (6) If required, any plans and specification of the damaged buildings.
- However, no claim will be denied based upon **your** failure to provide notice within such specified time, unless this failure operates to prejudice **our** rights, as per Missouri regulation 20CSR100-1.020.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, **Legal action against us**, Item 15. is amended as follows:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
- a. There has been full compliance with all the terms of this **policy**; and
 - b. The action is brought within 10 years after the date of the loss.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, **Loss payment**, Item 16.b. is amended as follows:

16. **Loss payment:**
- b. **We** will give notice of **our** intentions within 15 working days after **we** receive the sworn statement of loss.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Items 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance**, are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel the **policy** by mailing or delivering to **us** advance written notice of cancellation.
 - (2) **We** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days prior to the date cancellation is to take effect if **we** cancel for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Fraud or material misrepresentation affecting the **policy** or in the presentation of a claim thereunder or a violation of any of the terms or conditions of the **policy**;
 - (c) Changes in conditions after the effective date of the **policy** which have materially increased the hazards originally insured;
 - (d) The insolvency of the Company; or
 - (e) **Our** involuntary loss of reinsurance covering the **policy**.
 - (3) **We** may cancel the **policy** for any other reason by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 60 days prior to the date cancellation is to take effect.

- (4) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for the proposed action.
 - (b) Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice.

27. b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) **We** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us**, written notice of cancellation at least 10 days prior to the date cancellation is to take effect if **we** cancel for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Fraud or material misrepresentation affecting the **Mortgagor's Notice of Insurance** or in the presentation of a claim thereunder or a violation of any of the terms or conditions of the **Notice**;
 - (c) Changes in conditions after the effective date of the **Mortgagor's Notice of Insurance** which have materially increased the hazards originally insured;
 - (d) The insolvency of the Company; or
 - (e) **Our** involuntary loss of reinsurance covering the **Mortgagor's Notice of Insurance**.
- (3) **We** may cancel the **Mortgagor's Notice of Insurance** for any other reason by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us**, written notice of cancellation at least 60 days prior to the date cancellation is to take effect.
- (4) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for the proposed action.
 - (b) Notice of cancellation will state the effective date of cancellation; the coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date.
 - (c) The cancellation will be effective even if **we** have not made or offered a refund.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (e) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:**

We may elect not to renew the **policy** by mailing or delivering written notice of nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. **We** will mail or deliver notice stating the reason(s) for nonrenewal at least 60 days prior to the effective date of nonrenewal. If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
MONTANA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Items 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance**, are deleted and replaced by the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for less than 60 days, **we** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least 10 days before the effective date of cancellation.
- (3) If this **policy** has been in effect for 60 days or more, **we** may cancel this **policy** prior to the expiration of the agreed term or prior to one year from the effective date of the **policy** or renewal, whichever is less, only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Material misrepresentation;
 - (c) Substantial change in the risk assumed, except to the extent that **we** should reasonably have foreseen the change or contemplated the risk in writing the **policy**;
 - (d) Substantial breaches of contractual duties, conditions or warranties;
 - (e) Determination by the Commissioner of Insurance that continuation of the **policy** would place **us** in violation of the Montana Insurance Code;
 - (f) **Our** financial impairment; or
 - (g) Such other reasons that are approved by the Commissioner of Insurance.
- (4) If this **policy** has been issued for a term longer than one year, and if the premium is prepaid or an agreed term is guaranteed for additional premium consideration, **we** may cancel this **policy** only for one or more of the reasons stated in Paragraph (3) above. **We** may cancel any **policy** with a term of more than one year by mailing or delivering to the first **named insured** written notice of cancellation at least 45 days before the anniversary date of this **policy**. Such cancellation will be effective on the **policy's** anniversary date.
- (5) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (6) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least 10 days before the effective date of cancellation.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more, **we** may cancel the **Mortgagor's Notice of Insurance** prior to the expiration of the agreed term or prior to one year from the effective date of the **Mortgagor's Notice of Insurance** or renewal, whichever is less, only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Material misrepresentation;
 - (c) Substantial change in the risk assumed, except to the extent that **we** should reasonably have foreseen the change or contemplated the risk in writing the **Mortgagor's Notice of Insurance**;
 - (d) Substantial breaches of contractual duties, conditions or warranties;

- (e) Determination by the Commissioner of Insurance that continuation of the **Mortgagor's Notice of Insurance** would place **us** in violation of the Montana Insurance Code;
 - (f) **Our** financial impairment; or
 - (g) Such other reasons that are approved by the Commissioner of Insurance.
- (4) If a **Mortgagor's Notice of Insurance** has been issued for a term longer than one year, and if the premium is prepaid or an agreed term is guaranteed for additional premium consideration, **we** may cancel the **Mortgagor's Notice of Insurance** only for one or more of the reasons stated in Paragraph (3) above. **We** may cancel any **Mortgagor's Notice of Insurance** with a term of more than one year by mailing or delivering to the first **named insured** written notice of cancellation at least 45 days before the anniversary date of the **Mortgagor's Notice of Insurance**. Such cancellation will be effective on the anniversary date of the **Mortgagor's Notice of Insurance**.
- (5) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
- (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (6) Other termination provisions:
- (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof or mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

We may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

We will mail or deliver these notices at least 45 days before the:

- (1) Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
- (2) Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

We need not mail or deliver notice if:

- (1) **You** have purchased insurance elsewhere;
- (2) **You** have accepted replacement coverage;
- (3) **You** have requested or agreed to nonrenewal; or
- (4) The **policy** is expressly designated as nonrenewable.

The following provision, Item 28.b. **Renewal with Altered Terms** is added to Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III:

28. b. **Renewal with Altered Terms**

If **we** offer to renew this **policy** but on less favorable terms, at a higher rate, or at a higher rating plan, **we** shall mail or deliver notice of the new terms, rate, or rating plan to the first **named insured** at least 45 days before the expiration date of the **policy**. Notice shall not be required if the increase in the rate or rating plan, or both, results from a classification change based on the altered nature or extent of the risk insured against.

The following statement is added to Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III:

Conformity with Montana Statutes

The provisions of this **policy** conform to the minimum requirements of Montana law and control over any conflicting statutes of any state in which the **insured** resides on or after the effective date of this **policy**.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
REAL ESTATE OWNED ENDORSEMENT
MONTANA****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

It is hereby understood and agreed that in consideration of an additional premium paid by the mortgagee and upon the mortgagee's request for coverage, **we** agree to provide coverage as described below for residential or commercial **properties** owned by **you** as a result of foreclosure or voluntary conveyance.

COVERAGE

Coverage shall be effective the latest of either:

1. The date of foreclosure or voluntary conveyance; or
2. The cancellation or expiration date, after foreclosure or voluntary conveyance, of an existing insurance policy when a renewal or replacement policy has not been received by **you** as of that date.

TERM

At **your** option, coverage may be provided for a monthly, quarterly, semi-annual, or annual term.

1. If a monthly term is selected, the following provisions shall apply to all residential and commercial **properties** covered:
 - a. **You** shall maintain and forward a schedule, as defined below, to **us** on a monthly basis listing the location of all **properties** for which this coverage applies and include:
 - (1) Description of each **property** and its occupancy;
 - (2) Address of each **property**;
 - (3) Amount of insurance under this **policy**;
 - (4) Effective date of coverage under this **policy**;
 - (5) Expiration or cancellation date of coverage provided by this **policy**;
 - (6) Number of days coverage is in force under this **policy**;
 - (7) Premium for each entry calculated in accordance with premium tables to be provided by **us**.
 - b. The schedule shall be forwarded to **us** not less than fifteen (15) days after the last day of the month for which coverage applies.
2. If a quarterly, semi-annual, or annual term is selected, the following provisions shall apply to all residential and commercial **properties** covered:
 - a. Coverage shall apply to those **properties** reported to **us** by written application received no later than thirty (30) days after the requested effective date. A Certificate shall be issued for each location of covered **property** for a quarterly, semi-annual or annual term from the date specified by **you**.
 - b. The premium payable for each Certificate shall be calculated according to schedules to be provided by **us**.
3. **You** understand that the premium rate is a monthly per **property** rate and is earned at the inception of coverage for each **property**. If coverage for a **property** is cancelled mid-term **we** will refund the unused portion of the premium on a pro-rata basis.

LIMITS OF RECOVERY

1. **Our** liability hereunder for loss to any dwelling and other structures shall be per the provisions found in Section II, Residential Property Coverage, and in no event shall exceed the limit of liability on the Mortgage Security Master Policy Declarations.
2. **Our** liability hereunder for loss to any building shall be per the provisions found in Section III – Commercial Property Coverage, and in no event shall exceed the limit of liability on the Mortgage Security Master Policy Declarations.

DEDUCTIBLE

The deductible(s) shown on the Mortgage Security Master Policy Declarations shall apply separately for each loss to each dwelling, other structure, or building.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.

POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE
---------------	---------------	----------------

**MORTGAGE SECURITY MASTER POLICY
MONTANA**

TABLE OF CONTENTS

SECTION I – MASTER POLICY	1
INSURING AGREEMENT	1
DEFINITIONS	1
GENERAL PROVISIONS – APPLICABLE TO SECTION II AND SECTION III	1
SECTION II – RESIDENTIAL PROPERTY COVERAGE.....	4
AGREEMENT	4
COVERAGES	5
OTHER COVERAGES	5
PROPERTY AND COVERAGES NOT INCLUDED	5
PERILS INSURED AGAINST	5
EXCLUSIONS	6
OTHER PROVISIONS	7
SECTION III – COMMERCIAL PROPERTY COVERAGE.....	7
AGREEMENT	7
PROPERTY COVERED	7
PROPERTY NOT COVERED	8
PERILS INSURED AGAINST	8
EXCLUSIONS	9
OTHER PROVISIONS	10

**MORTGAGE SECURITY PROGRAM
NEBRASKA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for 60 days or less and it is not a renewal with **us**, or at any time if **you** have not paid the premium, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
- (3) If this **policy** has been in effect for more than 60 days or if it is a renewal with **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 60 days before the effective date of cancellation if **we** cancel for any one or more of the following reasons:
 - (i) The **policy** was obtained through material misrepresentation;
 - (ii) Any insured has submitted a fraudulent claim under the **policy**;
 - (iii) Any insured has violated the terms and conditions of the **policy**;
 - (iv) A substantial increase in the risk originally accepted;
 - (v) Certification to the Director of Insurance of **our** loss of reinsurance which provided coverage to **us** for all or a substantial part of the underlying risk insured; or
 - (vi) The determination by the Director of Insurance that the continuation of the **policy** could place **us** in the violation of the insurance laws of Nebraska.
- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation.
 - (b) Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or less and it is not a renewal with **us**, or at any time if **you** have not paid the premium, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for more than 60 days or if it is a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 60 days before the effective date of cancellation if **we** cancel for any one or more of the following reasons:
 - (i) The **Mortgagor's Notice of Insurance** was obtained through material misrepresentation;
 - (ii) Any insured and/or mortgagor has submitted a fraudulent claim under the **Mortgagor's Notice of Insurance**;

- (iii) Any insured and/or mortgagor has violated any of the terms and conditions of the **Mortgagor's Notice of Insurance**;
 - (iv) A substantial increase in the risk originally accepted;
 - (v) Certification to the Director of Insurance of **our** loss of reinsurance which provided coverage to **us** for all or a substantial part of the underlying risk insured; or
 - (vi) The determination by the Director of Insurance that the continuation of the **Mortgagor's Notice of Insurance** could place **us** in the violation of the insurance laws of Nebraska.
- (4) Other termination provisions:
- (a) Notice will state the reason(s) for cancellation.
 - (b) Notice will state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice will be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (e) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** We may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal. Notice will state the reason(s) for nonrenewal. If notice is mailed, proof of mailing will be sufficient proof of notice.
- We** will mail or deliver notice at least 60 days before the:
- a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
NEVADA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) When this **policy** has been in effect for less than 70 days and is not a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the cancellation date, if **we** cancel for nonpayment of premium; or
 - (b) 30 days before the cancellation date, if **we** cancel for any other reason.
- (3) When this **policy** has been in effect for 70 days or more or at any time if it is a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the cancellation date, if **we** cancel for nonpayment of premium;
 - (b) 30 days before the cancellation date, if **we** cancel for any one or more of the following reasons:
 - (i) Conviction of the **named insured** of a crime arising out of acts that increase the hazard insured against;
 - (ii) Discovery of fraud or material misrepresentation by the **named insured** in obtaining the **policy** or presenting a claim thereunder;
 - (iii) Discovery of negligent acts, omissions or violations of any condition of the **policy**, occurring after the **policy** was issued, that substantially and materially increase the hazards insured against;
 - (iv) A material change in the nature or extent of the risk, occurring after the **policy** was issued, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the **policy** was issued or last renewed;
 - (v) A determination by the Commissioner of Insurance that continuation of **our** present volume of premiums would jeopardize **our** solvency or be hazardous to the interests of **our** policyholders, creditors, or the public; or
 - (vi) A determination by the Commissioner of Insurance that continuation of the **policy** would place **us** in violation of any provision of the code.
- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice will state the effective date and reason(s) for cancellation. The **policy** period will end on that date; and
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) When any **Mortgagor's Notice of Insurance** has been in effect for less than 70 days and is not a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 10 days before the cancellation date, if **we** cancel for nonpayment of premium; or
 - (b) 30 days before the cancellation date, if **we** cancel for any other reason.
- (3) When any **Mortgagor's Notice of Insurance** has been in effect for 70 days or more or at any time if it is a renewal with **us**, **we** may cancel by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 10 days before the cancellation date, if **we** cancel for nonpayment of premium; or

- (b) 30 days before the cancellation date, if **we** cancel for any one or more of the following reasons:
 - (i) Conviction of the **named insured** or mortgagor of a crime arising out of acts that increase the hazard insured against;
 - (ii) Discovery of fraud or material misrepresentation by the **named insured** or mortgagor in obtaining the **Mortgagor's Notice of Insurance** or presenting a claim thereunder;
 - (iii) Discovery of negligent acts, omissions or violations of any condition of the **Mortgagor's Notice of Insurance**, occurring after the **Notice** was issued, that substantially and materially increase the hazards insured against;
 - (iv) A material change in the nature or extent of the risk, occurring after the **Mortgagor's Notice of Insurance** was issued, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the **Notice** was issued or last renewed;
 - (v) A determination by the Commissioner of Insurance that continuation of **our** present volume of premiums would jeopardize **our** solvency or be hazardous to the interests of **our** policyholders, creditors, or the public; or
 - (vi) A determination by the Commissioner of Insurance that continuation of the **Mortgagor's Notice of Insurance** would place **us** in violation of any provision of the code.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) The notice will state the effective date and reason(s) of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. Nonrenewal:

- a. If **we** elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance**, **we** will mail or deliver to the first **named insured** and/or any mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal at least 60 days before:
 - (1) The expiration of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - (2) The anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term greater than one year.
- b. Written notice of nonrenewal is not required when:
 - (1) **You** have accepted replacement coverage;
 - (2) **You** have requested or agreed to nonrenewal; or
 - (3) The **policy** and/or **Mortgagor's Notice of Insurance** is expressly designated as nonrenewable.
- c. Other nonrenewal provisions:
 - (1) Notice shall include the effective date and reason(s) for nonrenewal; and
 - (2) If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
NEW HAMPSHIRE AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 8. **Concealment, Misrepresentation or Fraud** is deleted and replaced with the following:

8. **Concealment, Misrepresentation or Fraud:** We will not provide coverage when **you** or any other insured at any time has:
- Intentionally concealed or misrepresented a material fact;
 - Engaged in fraudulent conduct; or
 - Has made a false statement relating to the coverage provided under this **policy** or a **Mortgagor's Notice of Insurance**.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27.a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for less than 60 days and it is not a renewal with **us**, or at any time if **you** have not paid the premium, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for:
 - (i) Nonpayment of premium; or
 - (ii) A substantial increase in the hazard originally insured.
 - (b) 60 days before the effective date of cancellation if **we** cancel for any other reason.
- (3) If this **policy** has been in effect for 60 days or more, or if it is a renewal with **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 60 days before the effective date of cancellation if **we** cancel for one or more of the following reasons:
 - (i) Fraud or material misrepresentation affecting the **policy** or in the presentation of a claim thereunder, or a violation of any of the terms or conditions of the **policy**; or
 - (ii) A substantial increase in the hazard originally insured. Cancellation for this reason shall be effective only after prior approval of the Commissioner.
- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation.
 - (b) Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, it will be by:
 - (i) Certified mail or certificate of mailing if **we** cancel for nonpayment of premium; or
 - (ii) Certified mail if **we** cancel for any other reason.
 - (e) Proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.

- (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and it is not a renewal with **us**, or at any time if **you** have not paid the premium, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for:
 - (i) Nonpayment of premium; or
 - (ii) A substantial increase in the hazard originally insured.
 - (b) 60 days before the effective date of cancellation if **we** cancel for any other reason.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more, or if it is a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 60 days before the effective date of cancellation if **we** cancel for one or more of the following reasons:
 - (i) Fraud or material misrepresentation affecting the **Mortgagor's Notice of Insurance** or in the presentation of a claim thereunder, or a violation of any of the terms or conditions of the **Mortgagor's Notice of Insurance**; or
 - (ii) A substantial increase in the hazard originally insured. Cancellation for this reason shall be effective only after prior approval of the Commissioner.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation.
 - (b) Notice will state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, it will be by:
 - (i) Certified mail or certificate of mailing if **we** cancel for nonpayment of premium; or
 - (ii) Certified mail if **we** cancel for any other reason.
 - (e) Proof of mailing will be sufficient proof of notice.
 - (f) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. Nonrenewal:

- a. **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal, stating the reason(s) for nonrenewal, at least 60 days before the:
 - (1) Expiration of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - (2) Anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
 If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. Written notice of nonrenewal is not required if:
 - (1) **We** have provided notice of **our** willingness to renew the **policy** and/or any **Mortgagor's Notice of Insurance**;
 - (2) **You** have not paid the premium;
 - (3) **You** have not paid any advance premium due for renewal; or
 - (4) **You** have obtained replacement coverage for the **insured property** under another policy.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
NEW JERSEY AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, Sections II – Residential Property Coverage, Exclusions – Item 1.d. **Fungus, wet rot, dry rot and bacteria** and Section III – Commercial Property Coverage, Exclusions – Item 1.h. **Fungus, wet rot, dry rot and bacteria** are deleted and replaced with the following:

Fungus, wet rot, dry rot and bacteria, meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. Fungus means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungus. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning. Loss from mold shall not be excluded if the mold is a result of a covered peril under the **policy**.

The Mortgage Security Master Policy, Sections II – Residential Property Coverage, Exclusions – Item 1.h. **Intentional act** and Section III – Commercial Property Coverage, Exclusions – Item 1.i. **Intentional act** are deleted and replaced with the following:

Intentional act, meaning any action taken by or at the direction of **you** or any mortgagor committed with the intent to cause a loss or damage.

- (1) **We** will not pay for loss or damage arising out of any act committed by or at the direction of any **insured** with the intent to cause loss. This exclusion applies even if the person committing the act is insane, intoxicated or otherwise impaired if a person without that impairment would have committed such an act with the intent to cause loss or damage.
- (2) This exclusion shall not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:
 - (a) The loss arose out of a pattern of criminal domestic violence; and
 - (b) The perpetrator of the loss is criminally prosecuted for the act causing the loss.
- (3) If **we** pay a co-insured for loss pursuant to the above, **our** liability to the **insured** shall be limited to the **insured's** insurable interest in the **property**. In no event shall **we** pay more than the limit of liability.
- (4) Any action taken by or at the direction of the mortgagor, without **your** knowledge, shall not bar recovery by **you** as **your interest** may appear.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 14. **Subrogation** is deleted and replaced with the following:

14. **Subrogation:**

- (1) Before a loss occurs, **you** or the mortgagor may waive in writing all rights of recovery against any person. If not waived, **we** may require an assignment of rights of recovery for a loss up to the amount of any payment made by **us**. If an assignment is sought, **you** and the mortgagor shall cooperate with **us**, including signing and delivering to **us** all related papers.
- (2) If **we** pay an innocent co-insured for loss arising out of an act of domestic violence by another **insured**, the rights of the co-insured, who did not cooperate in or contribute to the creation of the loss, to recover damages from the perpetrator of domestic violence are transferred to **us** up to the amount of any payment made by **us**. Following the loss, the co-insured may not waive such rights to recover against the perpetrator of domestic violence.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) Pursuant to New Jersey law, this **policy** cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the **insured**. **We** maintain the underwriting reasons and/or guidelines used to cancel or nonrenew will furnish such reasons and/or guidelines to the **insured** and/or the **insured's** lawful representative upon written request. This provision shall not apply to any **policy** which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the **policy** is a renewal **policy**.

- (3) If this **policy** has been in effect for less than 60 days and it is not a renewal with **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured**, and any other person entitled to receive notice under this **policy**, at the last mailing addresses known to **us**, written notice of cancellation, stating the reason(s) for cancellation, at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium or for the existence of a moral hazard, as defined in NJAC 11:1-20.2(f) as follows:
 - (i) The risk, danger or probability that the **insured** will destroy or permit to be destroyed, the **insured property** for the purpose of collecting insurance proceeds. Any change in the circumstances of an **insured** that will increase the probability of such a destruction may be considered a 'moral hazard'; and
 - (ii) The substantial risk, danger or probability that the character, circumstances or personal habits of the **insured** may increase the possibility of loss or liability for which **we** will be held responsible. Any change in the character or circumstances of an individual, corporate partnership or other **insured** that will increase the probability of such a loss or liability may be considered a 'moral hazard'.
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
 - (4) If this **policy** has been in effect for 60 days or more or if it is a renewal with **us**, **we** shall not cancel the **policy** unless cancellation is based upon one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) The existence of a moral hazard, as defined in NJAC 11:1-20.2(f);
 - (c) Material misrepresentation or nondisclosure to **us** of a material fact at the time of acceptance of the risk;
 - (d) Increase in hazard or a material change in the risk assumed which **we** could not have reasonably contemplated at the time the risk was assumed;
 - (e) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
 - (f) Lack of cooperation by **you** on loss control matters materially affecting the insurability of the risk;
 - (g) Fraudulent acts by **you** or the **your** representatives against **us** that materially affect the nature of the risk insured;
 - (h) Loss of or reduction in available insurance capacity;
 - (i) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal thereof;
 - (j) Loss of or substantial changes in applicable reinsurance;
 - (k) **Your** failure to comply, within 60 days of written notification of **your** violation, with any Federal, State or local fire, health, safety, building or construction regulation, law or ordinance, with respect to the risk insured and which substantially increases any hazard insured against;
 - (l) **Your** failure to provide reasonable and necessary underwriting information to **us** upon **our** written request and within a reasonable time period;
 - (m) Agent and/or agency termination; and
 - (n) Any other guidelines for cancellation provided such guidelines are not arbitrary, capricious or unfairly discriminatory.
 - (5) If **we** cancel this **policy** for the reasons listed in 4. (a) and 4. (b) above, **we** will mail or deliver written notice of cancellation, stating the reason(s) for cancellation, to the first **named insured** and any other person entitled to receive notice under this **policy**, at the last mailing addresses known to **us**, at least 10 days before the effective date of cancellation.
 - (6) If **we** cancel this **policy** for any other reason listed above, **we** will mail or deliver written notice of cancellation, stating the reason(s) for cancellation, to the first **named insured** and any other person entitled to receive notice under this **policy**, at the last mailing addresses known to **us**, at least 30 days but not more than 120 days before the effective date of cancellation.
 - (7) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
 - (8) Other termination provisions:
 - (a) Notice shall state the effective date of cancellation; the **policy** period will end on that date.
 - (b) Cancellation due to nonpayment of premium shall not be effective if **you** pay the amount due prior to the effective date of cancellation.
 - (c) Notice shall be sent by certified mail or first class mail; proof of mailing by the United States Postal Service shall be sufficient proof of notice.
 - (d) Notice shall not be required if **you** have obtained replacement coverage or have otherwise requested cancellation.
- b. **Cancellation – Mortgagor's Notice of Insurance:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.

- (2) Pursuant to New Jersey law, this **Mortgagor's Notice of Insurance** cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the **insured**. **We** maintain the underwriting reasons and/or guidelines used to cancel or nonrenew will furnish such reasons and/or guidelines to the **insured** and/or the **insured's** lawful representative upon written request. This provision shall not apply to any **Mortgagor's Notice of Insurance** which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the **Mortgagor's Notice of Insurance** is a renewal.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and it is not a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the mortgagor, and any other person entitled to receive notice, at the last mailing addresses known to **us**, written notice of cancellation, stating the reason(s) for cancellation, at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium or for the existence of a moral hazard, as defined in NJAC 11:1-20.2(f) as follows:
 - (i) The risk, danger or probability that the **insured** will destroy or permit to be destroyed, the **insured property** for the purpose of collecting insurance proceeds. Any change in the circumstances of an **insured** that will increase the probability of such a destruction may be considered a 'moral hazard'; and
 - (ii) The substantial risk, danger or probability that the character, circumstances or personal habits of the **insured** may increase the possibility of loss or liability for which **we** will be held responsible. Any change in the character or circumstances of an individual, corporate partnership or other **insured** that will increase the probability of such a loss or liability may be considered a 'moral hazard'.
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- (4) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more or if it is a renewal with **us**, **we** shall not cancel the **Mortgagor's Notice of Insurance** unless cancellation is based upon one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) The existence of a moral hazard, as defined in NJAC 11:1-20.2(f);
 - (c) Material misrepresentation or nondisclosure to **us** of a material fact at the time of acceptance of the risk;
 - (d) Increase in hazard or a material change in the risk assumed which **we** could not have reasonably contemplated at the time the risk was assumed;
 - (e) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
 - (f) Lack of cooperation by **you** or the mortgagor on loss control matters materially affecting the insurability of the risk;
 - (g) Fraudulent acts by **you**, **your** representatives, or the mortgagor against **us** that materially affect the nature of the risk insured;
 - (h) Loss of or reduction in available insurance capacity;
 - (i) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal thereof;
 - (j) Loss of or substantial changes in applicable reinsurance;
 - (k) **Your** or the mortgagor's failure to comply, within 60 days of written notification of **your** violation, with any Federal, State or local fire, health, safety, building or construction regulation, law or ordinance, with respect to the risk insured and which substantially increases any hazard insured against;
 - (l) **Your** or the mortgagor's failure to provide reasonable and necessary underwriting information to **us** upon **our** written request and within a reasonable time period;
 - (m) Agent and/or agency termination; and
 - (n) Any other guidelines for cancellation provided such guidelines are not arbitrary, capricious or unfairly discriminatory.
- (5) If **we** cancel this **Mortgagor's Notice of Insurance** for the reasons listed in 4. (a) and 4. (b) above, **we** will mail or deliver written notice of cancellation, stating the reason(s) for cancellation, to the first **named insured**, the mortgagor, and any other person entitled to receive notice, at the last mailing addresses known to **us**, at least 10 days before the effective date of cancellation.
- (6) If **we** cancel this **Mortgagor's Notice of Insurance** for any other reason listed above, **we** will mail or deliver written notice of cancellation, stating the reason(s) for cancellation, to the first **named insured**, the mortgagor, and any other person entitled to receive notice, at the last mailing addresses known to **us**, at least 30 days but not more than 120 days before the effective date of cancellation.
- (7) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.

- (8) Other termination provisions:
 - (a) Notice shall state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (b) Cancellation due to nonpayment of premium shall not be effective if the amount due is paid prior to the effective date of cancellation.
 - (c) Notice shall be sent by certified mail or first class mail; proof of mailing by the United States Postal Service shall be sufficient proof of notice.
 - (d) Notice shall not be required if **you** or the mortgagor have obtained replacement coverage or have otherwise requested cancellation.
 - (e) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

- (1) **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** for any of the reasons allowable for cancellation. If **we** elect not to renew, **we** will mail or deliver to the first **named insured** and any other person entitled to receive notice, at the last mailing addresses known to **us**, written notice of nonrenewal, stating the reason(s) for nonrenewal, at least 30 days but not more than 120 days prior to the:
 - (a) Expiration of the **policy** and/or **Mortgagor's Notice of Insurance** or the anniversary date if either had been written for a term of more than one year.
- (2) Other nonrenewal provisions:
 - (a) Notice shall not be required if **you** or the mortgagor have obtained replacement coverage or have otherwise requested nonrenewal.
 - (b) Notice shall be sent by certified mail or first class mail; proof of mailing by the United States Postal Service shall be sufficient proof of notice.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28.b. **Renewal** is added as follows:

28. b. **Renewal:**

Should **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance**, **we** will mail or deliver to the first **named insured**, the mortgagor, and any other person entitled to receive notice, at the last mailing addresses known to **us**, written notice of renewal at least 30 days before the renewal effective date. Notice shall include the renewal premium and/or any change in contract terms.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
WINDSTORM/HAIL AND HURRICANE DEDUCTIBLE ENDORSEMENT
NEW JERSEY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that a minimum deductible of 2% of the Coverage A - Dwelling limit of liability, or the deductible shown on the Mortgage Security Master Policy Declarations, whichever is greater, shall apply to each occurrence caused by the perils of wind, hail, and hurricane.

This deductible applies in the event of direct physical loss to:

1. Residential dwellings, including other structures and personal property; and
2. Commercial buildings, including business personal property of others.

Such deductible applies regardless of any other cause or event contributing concurrently or in any sequence to the loss; however, this deductible does not apply to loss resulting from rain or wind-driven rain, except rain or wind-driven rain which enters the **insured property** or structure through an opening created by the force of wind, hail, or hurricane.

A hurricane occurrence in New Jersey is defined as beginning 12 hours prior to the first time the National Weather Service measures sustained winds of 74 mph in New Jersey and shall continue while hurricane conditions exist anywhere in the state. The hurricane occurrence shall end 12 hours after the last time the National Weather Service measures hurricane force winds of 74 mph in New Jersey, regardless of whether or not such winds reach the **insured property** at any time during the hurricane occurrence.

ALL OTHER PROVISIONS OF THE POLICY REMAIN UNCHANGED.

COMPLETE ONLY WHEN THIS ENDORSEMENT IS ADDED AFTER ISSUANCE OF THE POLICY.		
POLICY NUMBER	NAMED INSURED	EFFECTIVE DATE

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
NEW MEXICO AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for less than 60 days or at any time if **you** have not paid the premium, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation. The cancellation date shall be within 60 days of the original **policy** effective date.
- (3) If this **policy** has been in effect for 60 days or more and if there has been a substantial change in the risk assumed by **us** since the **policy** was issued, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 30 days before the effective date of cancellation.
- (4) Other than as described in the conditions above, if this **policy** has been in effect for 60 days or more **we** may cancel the **policy** only for one or more of the following reasons:
 - (a) The **policy** was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by **us**;
 - (b) Willful and negligent acts or omissions by the first **named insured** that have substantially increased the hazards insured against; or
 - (c) The first **named insured** presented a claim based on fraud or material misrepresentation.**We** will mail or deliver to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 15 days before the effective date of cancellation date when the action is the result of one or more of the above reasons.
- (5) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (6) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for cancellation.
 - (b) Notice of cancellation will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) A copy of the notice of cancellation will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days or at any time if **you** have not paid the premium, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation. The cancellation date shall be within 60 days of the original **Mortgagor's Notice of Insurance** effective date.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more and if there has been a substantial change in the risk assumed by **us** since the **Mortgagor's Notice of Insurance** was issued, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 30 days before the effective date of cancellation.

- (4) Other than as described in the conditions above, if this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more **we** may cancel the **Mortgagor's Notice of Insurance** only for one or more of the following reasons:
 - (a) The **Mortgagor's Notice of Insurance** was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by **us**;
 - (b) Willful and negligent acts or omissions by the first **named insured** or mortgagor that have substantially increased the hazards insured against; or
 - (c) The first **named insured** or mortgagor presented a claim based on fraud or material misrepresentation.**We** will mail or deliver to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 15 days before the effective date of cancellation date when the action is the result of one or more of the above reasons.
- (5) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for cancellation.
 - (b) Notice of cancellation will state the effective date of cancellation; the coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice of cancellation shall be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (e) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28.b. **Renewal with changes** is added as follows:

28. b. **Renewal with changes:**

- (1) If **we** elect to renew this **policy** and/or a **Mortgagor's Notice of Insurance** and the renewal includes a change in limitations, restrictions in coverage or a change in deductible, **we** will mail or deliver written notice of such changes to the first **named insured** and/or the mortgagor at the last mailing addresses known to **us** at least 30 days before the:
 - (a) The expiration date of the **policy** and/or **Mortgagor's Notice of Insurance**.
 - (b) The anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- (2) Other renewal provisions:
 - (a) A copy of the notice of renewal will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
NORTH CAROLINA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal Action Against Us** is deleted and replaced with the following:

15. **Legal Action Against Us:** No legal action can be brought against **us** unless:
- a. There has been full compliance with all of the terms of this contract; and
 - b. The action is brought within the time limitations prescribed under North Carolina law.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy**, paragraph (2) is deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
- (2) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - (a) 15 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.b. **Cancellation – Mortgagor's Notice of Insurance**, paragraph (2) is deleted and replaced with the following:

27. b. **Cancellation – Mortgagor's Notice of Insurance:**
- (2) **We** may cancel any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least:
 - (a) 15 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 45 days before the:
- a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
NORTH DAKOTA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us** is amended as follows:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
- There has been full compliance with all the terms of this **policy**; and
 - The action is brought within three (3) years after the date of the loss.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
- The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
 - If this **policy** has been in effect for less than 90 days or at any time if **you** have not paid the premium, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
 - If this **policy** has been in effect for 90 days or more or if it is a renewal with **us**, **we** shall not cancel the **policy** unless the cancellation is based upon one or more of the reasons listed below. If **we** cancel for one or more of these reasons, written notice will be mailed or delivered to the first **named insured** at the last mailing address known to **us** at least:
 - 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - 30 days before the effective date of cancellation if **we** cancel for any of the following reasons:
 - Any misrepresentation or fraud made by the first **named insured** or with the first **named insured's** knowledge in regard to obtaining this **policy** or pursuing a claim under this **policy**;
 - Actions of the first **named insured** that have substantially increased or substantially changed the risk insured;
 - Refusal of the first **named insured** to eliminate known conditions that increase the potential for loss after notification by **us** that the condition must be removed;
 - Substantial change in the risk assumed, except to the extent that **we** should reasonably have foreseen the change or contemplated risk in writing the contract;
 - Our** loss of reinsurance that provided **us** coverage for a significant amount of the underlying risk insured;
 - A determination by the insurance commissioner that continuation of the **policy** could place **us** in violation of the insurance laws of North Dakota; or
 - A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any **insured property** or the occupancy thereof which substantially increases any hazard insured against.
 - Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
 - Other termination provisions:
 - Notice will state the reason(s) for cancellation. If the reason is due to **our** loss of reinsurance, the first **named insured** may appeal the cancellation by notifying the insurance commissioner within 10 days from the date notice is received. The commissioner will render a decision within 5 business days from receipt of **your** appeal as to whether the cancellation is justified because of **our** loss of reinsurance.
 - Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - Notice by first-class mail is effective upon deposit in the U.S. mail. Proof of mailing shall be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 90 days or at any time if **you** have not paid the premium, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for 90 days or more or if it is a renewal with **us**, **we** shall not cancel the **Mortgagor's Notice of Insurance** unless the cancellation is based upon one or more of the reasons listed below. If **we** cancel for one or more of these reasons, written notice will be mailed or delivered to the first **named insured** and the mortgagor at the last mailing address known to **us** at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 30 days before the effective date of cancellation if **we** cancel for any of the following reasons:
 - (i) Any misrepresentation or fraud made by the first **named insured** and/or the mortgagor or with the first **named insured's** and/or mortgagor's knowledge in regard to obtaining or pursuing a claim under this **Mortgagor's Notice of Insurance**;
 - (ii) Actions of the first **named insured** and/or mortgagor that have substantially increased or substantially changed the risk insured;
 - (iii) Refusal of the first **named insured** and/or mortgagor to eliminate known conditions that increase the potential for loss after notification by **us** that the condition must be removed;
 - (iv) Substantial change in the risk assumed, except to the extent that **we** should reasonably have foreseen the change or contemplated risk in writing the contract;
 - (v) **Our** loss of reinsurance that provided **us** coverage for a significant amount of the underlying risk insured;
 - (vi) A determination by the insurance commissioner that continuation of the **Mortgagor's Notice of Insurance** could place **us** in violation of the insurance laws of North Dakota; or
 - (vii) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any **insured property** or the occupancy thereof which substantially increases any hazard insured against.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation. If the reason is due to **our** loss of reinsurance, the first **named insured** may appeal the cancellation by notifying the insurance commissioner within 10 days from the date notice is received. The commissioner will render a decision within 5 business days from receipt of **your** appeal as to whether the cancellation is justified because of **our** loss of reinsurance.
 - (b) Notice will state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice will be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) Notice by first-class mail is effective upon deposit in the U.S. mail. Proof of mailing shall be sufficient proof of notice.
 - (e) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following 28.a. **Nonrenewal** and 28.b. **Renewal with changes**:

28. a. **Nonrenewal:**

We may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us** written notice of nonrenewal, stating the reason(s) for nonrenewal, at least 60 days before the:

- (1) Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
- (2) Anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

28. b. **Renewal with changes:**

Should **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** and the renewal includes less favorable terms, as to the dollar amount of coverage or deductibles or an increase in rates in excess of fifteen percent, **we** will mail or deliver to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of the new terms and/or new rates at least 10 days prior to the expiration date of the existing **policy**.

Notice by first-class mail is effective upon deposit in the U.S. mail. Proof of mailing shall be sufficient proof of notice.

The Mortgage Security Master Policy, Section II – Residential Property Coverage, **Exclusions**, Item 1. h. and Section III – Commercial Property Coverage, **Exclusions**, Item 1. i. **Intentional Acts** are deleted and replaced as follows:

Section II – Residential Property Coverage, Exclusions:

1. h. **Intentional act**, meaning any action taken by or at the direction of **you** or any mortgagor committed with the intent to cause a loss or damage. This exclusion applies even if the person committing the act is insane, intoxicated or otherwise impaired if a person without that impairment would have committed such an act with the intent to cause loss or damage. Any action taken by or at the direction of the mortgagor, without **your** knowledge, shall not bar recovery by **you** as **your interest** may appear.

This exclusion shall not apply to deny payment to an innocent coinsured who did not cooperate in or contribute to the creation of the loss if the loss arose out of domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss.

Section III – Commercial Property Coverage, Exclusions:

1. i. **Intentional act**: Meaning any action taken by or at the direction of **you** or any mortgagor committed with the intent to cause a loss or damage. This exclusion applies even if the person committing the act is insane, intoxicated or otherwise impaired if a person without that impairment would have committed such an act with the intent to cause loss or damage. Such an action taken by or at the direction of the mortgagor, without **your** knowledge, shall not bar recovery by **you** as **your interest** may appear.

This exclusion shall not apply to deny payment to an innocent coinsured who did not cooperate in or contribute to the creation of the loss if the loss arose out of domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 E Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
OHIO MINE SUBSIDENCE INSURANCE UNDERWRITING ASSOCIATION
MINE SUBSIDENCE INSURANCE COVERAGE**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of an additional premium, the structure at the described location per the insurance policy to which this mine subsidence insurance coverage form attaches is insured against direct loss on an occurrence basis caused by mine subsidence as herein defined and for the limit(s) of liability as stated below. This mine subsidence insurance is provided by the Mine Subsidence Insurance Fund. This endorsement creates no liability on the part of the insurance company issuing the policy to which this endorsement attaches or the Ohio Mine Subsidence Insurance Underwriting Association or its members, or the Ohio FAIR Plan Underwriting Association or the Ohio Insurance Guaranty Association or its members. Also, no liability is created on the part of the state of Ohio beyond the premiums paid into the fund.

DEFINITIONS

1. "Mine subsidence" means lateral or vertical movement including the collapse, which results from such movement as a result of man-made underground coal mines, clay mines, limestone mines and salt mines. Mine subsidence does not include loss caused by earthquake, landslide, volcanic eruption, or collapse of strip mines, any surface mines, storm and sewer drains, or rapid transit tunnels.
2. An "occurrence" is a single subsidence event or several subsidence events which are continuous.
3. A "structure" means a 1-4 family dwelling building fixed to realty but does not include the land, trees, plants, crops, sidewalks, driveways, outbuildings, detached garages, industrial or commercial buildings.
4. "Private garages" are other structures at the described location, set apart from the dwelling structure by clear space. This includes structures connected to the dwelling structure by only a fence, utility line, or similar connection. However, these other structures may not be used in whole or in part for commercial, manufacturing, or farming purposes nor be rented by or held for rental to any person not a tenant of the dwelling structure.
5. "Sidewalks and driveways" are those that are usual to the 1-4 family dwelling structure and that are used primarily by the residents of the structure at the described location.
6. "Additional living expense" is any necessary increase in living expenses due to damage to the structure at the described location by mine subsidence which causes the structure to be unfit for habitation.
7. "Fair rental value" is the rental income lost net of non-continuing expenses if a part of the structure is damaged by mine subsidence and that damage causes the rental structure or the rented part of the structure to be unfit for habitation.

PROPERTY COVERED

This coverage applies to the structure at the described location including:

1. The cost of excavation or grading.
2. Foundations of buildings, boilers, or engines which are below the under surface of the lowest basement floor or where there is no basement below the surface of the ground.
3. Underground pilings, piers, pipes, flues and drains and/or pilings, which are below the watermark.

This coverage may apply to private garages within the special limits of liability of the following loss payment clause of this coverage form.

This coverage may apply to sidewalks and driveways, but only if there is subsidence damage by the same occurrence to the insured structure. See the special limits of liability within the following loss payment clause of this coverage form.

LOSS PAYMENT

The limit of liability for loss to the structure at the described location under this coverage form shall not exceed the smallest of the following amounts:

1. The limit of liability on your dwelling in the insurance policy to which this mine subsidence insurance coverage form attaches or \$300,000, whichever is less;

2. If more than one coverage for mine subsidence insures any given structure, the limit of liability is the largest limit of coverage on a single insurance policy to which this mine subsidence insurance coverage form attaches or one single limit of \$300,000, whichever is less;
3. The actual cash value of the loss if repairs will not be made to the property damaged by mine subsidence. Actual cash value is defined as replacement cost less depreciation or betterment;
4. The amount actually and necessarily expended in repairing or replacing the insured structure with modern building materials only if that structure's repair or replacement is made intending that the structure have the same occupancy and use;
5. The amount available in the Mine Subsidence Insurance Fund administered by the Governing Board of the Mine Subsidence Insurance Underwriting Association.

Special limits of liability apply to the coverage for driveways, sidewalks, and private garages as follows:

1. The total limit of liability for all sidewalks and driveways is an amount of up to 10% of the mine subsidence coverage limit of liability for the insured structure. In no case will this limit of liability exceed the amount actually and necessarily expended by the insured in repairing or replacing any sidewalks and driveways for which the insured has the responsibility for repair or replacement.
2. The total limit of liability for all private garages is an amount of up to 10% of the mine subsidence coverage limit of liability for the insured structure. In no case will this limit of liability exceed the amount actually and necessarily expended in repairing or replacing the private garages with modern building material and payment will be made only if the repair is made intending that the building(s) be private garage(s) after repaired or replaced.

An amount of coverage of up to \$5,000 will be paid for additional living expense and/or fair rental value if the insured structure is not fit to live in due to a mine subsidence occurrence. Payment will be for the shortest time required for repair of the mine subsidence damage.

The total of all amounts of coverage compensable to an insured will not exceed \$300,000.

PERILS NOT INSURED AGAINST

This mine subsidence coverage does not insure against loss caused by earthquake, landslide, volcanic eruption, or collapse of strip mines, any surface mines, storm and sewer drains or rapid transit tunnels, or other earth movement.

DEDUCTIBLE

The following deductible provision applies per occurrence:

2% of the coverage available with a minimum deductible of \$250 and a maximum deductible of \$500.

OTHER PROVISIONS

1. This coverage is provided by provisions of Ohio Revised Code 3929.50 to 3929.53 and 3929.55 to 3929.56 and 3929.58 to 3929.61 and any subsequent amendments thereof enacted by the Ohio legislature. The amounts payable under this coverage are limited to the balance in the Mine Subsidence Insurance Fund from which all claims and other expenses of administering this Fund are paid.
2. The coverage afforded herein shall not be subject to provisions 3929.25 commonly known as the valued policy law.
3. All claims authorized for payment shall be paid directly by the Mine Subsidence Insurance Fund.
4. This entire coverage shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.
5. There is no coverage for any loss occurring:
 - (a) While the hazard is increased by any means within the control or knowledge of the insured; or
 - (b) While a described building, whether intended for occupancy by owner or tenant, is vacant, or more than 50% unoccupied beyond a period of sixty consecutive days.
6. This coverage shall terminate when the insurance policy to which this mine subsidence insurance coverage form attaches is cancelled or non-renewed. The insured shall receive a pro-rata refund of the unearned premium provided that if the unearned premium to be refunded is less than \$3.00, it will be refunded only if the first named insured specifically requests in writing that it be returned.
7. If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, and if the insured fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty (60) days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If the Governing Board of the Ohio Mine Subsidence Insurance Underwriting Association shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of

recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage.

8. The insured shall give immediate written notice of any loss, to the Fund through his insurance company, protect the property from further damage, put it in the best possible order, furnish an estimate of the damaged property showing in detail, the amount of loss claimed; and within sixty (60) days after the loss, unless such time is extended in writing, by the Governing Board of the Ohio Mine Subsidence Insurance Underwriting Association, the insured shall render a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any structure herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if destroyed or damaged, the insured, as often as may be reasonably required, shall exhibit to any person designated by the Governing Board of the Ohio Mine Subsidence Insurance Underwriting Association all that remains of any property herein described, and submit to examinations under oath by any person named by the Governing Board of the Ohio Mine Subsidence Insurance Underwriting Association and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Governing Board of the Ohio Mine Subsidence Insurance Underwriting Association or its representative, and shall permit extracts and copies thereof to be made.
9. In case the insured and the Governing Board of the Ohio Mine Subsidence Insurance Underwriting Association shall fail to agree as to the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or the Governing Board of the Ohio Mine Subsidence Insurance Underwriting Association such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately the loss to each item; and failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with the Governing Board of the Ohio Mine Subsidence Insurance Underwriting Association shall determine the amount of loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.
10. There can be no abandonment to the Ohio Mine Subsidence Insurance Fund Association of any property.
11. No suit or action on this coverage for the recovery of any claims shall be sustainable in any court of law or equity unless all the requirements of this coverage shall be complied with, and unless commenced within twelve months next after inception of the loss.
12. As part of the consideration given for the coverage provided by this endorsement, the insured agrees that the Governing Board of the Ohio Mine Subsidence Insurance Underwriting Association will receive full subrogation rights to the extent of any payment made to the insured. The Board's right shall be against any party who might be legally liable for the loss as determined by the Board. These subrogation rights shall be considered both contractual and equitable and shall be self-executing at the time any payment is made by the Board through the Ohio Mine Subsidence Insurance Fund, without the necessity of any written assignment. The Board's rights of assignment, subrogation and reimbursement are primary and shall take priority over any rights held by the insured, the insured's attorney, representative or any other party to any recovery. The insured agrees that the insured will reimburse the Board for any amounts which are later recovered from any third party, third party's insurer, or any other person, by way of settlement or in the satisfaction of any judgment of or upon any claims arising from a loss paid under this mine subsidence endorsement, irrespective of whether any such settlement or judgment may or may not provide reimbursement to the insured for all of the insured's injuries or other damages. The insured covenants to refrain from damaging, destroying or releasing the Board's right of recovery against any third party. Any breach of the conditions of the paragraph will result in the forfeiture of all rights to recover any benefits under this mine subsidence endorsement.
13. Nothing in this endorsement supplements, expands, increases, affects, or is affected by the coverage grants contained in the main policy to which this endorsement is affixed. The insured understands that the coverage given in this endorsement stands alone and is wholly separate and distinct from the main policy. This endorsement, therefore, shall not be construed to expand or enlarge the obligations of the company issuing the main policy for any of the coverages contained in the main policy. The language contained in the Mine Subsidence Endorsement shall not be included by references in the body of the main policy to "other coverages" or other endorsements unless the Mine Subsidence Endorsement is specifically named in the reference.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
OKLAHOMA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 8. **Concealment, Misrepresentation or Fraud** is deleted and replaced with the following:

8. **Concealment, Misrepresentation or Fraud:** This **policy** is voidable in any case of fraud, intentional concealment or misrepresentation of a material fact, by **you** or any other insured, at any time, concerning:
- This **policy**;
 - The **insured property**;
 - Your** interest in **insured property**; or
 - A claim under this **policy** or any **Mortgagor's Notice of Insurance**.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal** is deleted and replaced with the following:

13. **Appraisal:** If **you** and **we** fail to agree on the amount of loss, either can demand that the amount of the loss be set by appraisal. Upon written demand, each party shall select a competent, disinterested appraiser and notify the other of the selected appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, disinterested umpire. If they fail to agree upon such umpire within 15 days, then at the request of **you** or **us** and after notice of hearing is provided by certified-mail to the non-requesting party, an umpire shall be selected by a judge or a court of record in the county where the **property** is located and where the loss occurred. The appraisers shall then appraise and state separately the amount of the loss. If the appraisers submit a written report of agreement to **us**, the amount agreed upon by the appraisers shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences only to the umpire. Written agreement by any two, when filed with **us**, shall set the amount of the loss. Each party shall pay the appraiser they selected; other expenses of the appraisal and of the umpire shall be paid equally by each party.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy**, and Item 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
- The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
 - We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** advance written notice of cancellation, subject to the following:
 - When **you** have not paid the **policy** premium, whether payable to **us** or to **our** agent or under any finance or credit plan, **we** may cancel at any time by notifying **you** at least 10 days before the date cancellation takes effect.
 - When this **policy** has been in effect for less than 45 business days and is not a renewal with **us**, **we** may cancel for any reason by notifying **you** at least 10 days before the date cancellation takes effect.
 - When this **policy** has been in effect for 45 business days or more, or at any time if it is a renewal with **us**, **we** may cancel for one or more of the following reasons by notifying **you** at least 10 days before the date cancellation takes effect:
 - Discovery of fraud or material misrepresentation in the procurement of this insurance or in the claims submitted;
 - Discovery of willful or reckless acts or omissions on the part of the first **named insured**, which increase any hazard insured against;
 - A change in the risk occurring after coverage is issued or renewed, which substantially increases any hazard insured against;
 - Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any **insured property** or the occupancy thereof, which substantially increases any hazard insured against;
 - A determination by the insurance commissioner that continuation of the **policy** would place **us** in violation of the insurance laws of this state;

- (vi) Conviction of the first **named insured** of a crime, having as one of its necessary elements an act increasing any hazard insured against; or
- (vii) Loss of or substantial changes in applicable reinsurance.
- (3) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (4) Other cancellation provisions:
 - (a) Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - (b) Notice will include **our** reason(s) for cancellation.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice.

27. b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) **We** may cancel a **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us** advance written notice of cancellation, subject to the following:
 - (a) When **you** have not paid the policy premium, whether payable to **us** or to **our** agent or under any finance or credit plan, **we** may cancel at any time by notifying **you** at least 10 days before the date cancellation takes effect.
 - (b) When a **Mortgagor's Notice of Insurance** has been in effect for less than 45 business days and is not a renewal with **us**, **we** may cancel for any reason by notifying **you** and the mortgagor at least 10 days before the date cancellation takes effect.
 - (c) When a **Mortgagor's Notice of Insurance** has been in effect for 45 business days or more or at any time if it is a renewal with **us**, **we** may cancel for one or more of the following reasons by notifying **you** and the mortgagor at least 10 days before the date cancellation takes effect:
 - (i) Discovery of fraud or material misrepresentation in the procurement of this insurance or in the claims submitted;
 - (ii) Discovery of willful or reckless acts or omissions on the part of the first **named insured** or mortgagor, which increase any hazard insured against;
 - (iii) A change in the risk occurring after coverage is issued or renewed, which substantially increases any hazard insured against;
 - (iv) Violation of any local fire, health, safety, building or construction regulations or ordinance with respect to any **insured property** or the occupancy thereof, which substantially increases any hazard insured against;
 - (v) A determination by the insurance commissioner that the continuation of the **Mortgagor's Notice of Insurance** would place **us** in violation of the insurance laws of this state;
 - (vi) Conviction of the first **named insured** or mortgagor of a crime, having as one of its necessary elements an act increasing any hazard insured against; or
 - (vii) Loss of or substantial changes in applicable reinsurance.
- (3) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (4) Other cancellation provisions:
 - (a) Notice will state the effective date of cancellation; the coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date.
 - (b) Notice will include the reason(s) for cancellation.
 - (c) **We** shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

- (1) If **we** elect not to renew this **policy** and/or **Mortgagor's Notice of Insurance** we will mail or deliver written notice of nonrenewal to the first **named insured**, the first **named insured's** agent or broker, and/or the mortgagor at the last mailing addresses known to **us** at least 45 days before the:
 - (a) Expiration date of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - (b) Anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- (2) Other nonrenewal provisions:
 - (a) If notice of **our** intent not to renew is mailed, it will be considered to have been given to the first **named insured** and/or mortgagor on the day it is mailed.
 - (b) Notice will include the reason(s) for nonrenewal.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28.b. **Renewal with Changes** is added as follows:

28. b. **Renewal with Changes:**

- (1) If **we** elect to renew this **policy** and/or **Mortgagor's Notice of Insurance** and the renewal includes a premium increase, change in deductible, or a reduction in limits or coverage, **we** will mail or deliver written notice of such changes to the first **named insured** and/or the mortgagor at the last mailing addresses known to **us** at least 45 days before the:
 - (a) Expiration date of the **policy** and/or **Mortgagor's Notice of Insurance**.
 - (b) Anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- (2) If **you** choose to accept the renewal offer, any premium increase and/or other changes shall become effective the day following the expiration date of the current **policy**.
- (3) If **we** fail to provide the required notice as stated above, the current **policy** will remain in effect until:
 - (a) 45 days after **we** have provided the required notice; or
 - (b) The effective date of any replacement coverage that is obtained by the first **named insured**, whichever first occurs.
- (4) If **you** choose not to accept the renewal offer, any earned premium for the extended period of coverage shall be calculated pro rata at the rate applicable to the current or prior **policy** term, whichever is lower.
- (5) Other renewal provisions:
 - (a) If notice of **our** intent to renew is mailed, it will be considered to have been given to the first **named insured** and/or mortgagor on the day it is mailed.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
OKLAHOMA FRAUD WARNING
NOTICE**

In compliance with Oklahoma Insurance Code, the following information is added to the Mortgage Security Master Policy:

WARNING

Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
OREGON AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 8. **Concealment, Misrepresentation or Fraud**, is deleted and replaced with the following:

8. Concealment, Misrepresentation or Fraud:

- a. This **policy** is void in the case of fraud, at any time, by **you** as it relates to this **policy**. This **policy** is also void if, whether before or after a loss, **you** or any insured at any time, intentionally and willfully conceal or misrepresent a material fact or circumstance concerning:
 - (1) This **policy**;
 - (2) The **insured property**;
 - (3) **Your** interest in the **insured property**; or
 - (4) A claim under this **policy** or a **Mortgagor's Notice of Insurance**.
- b. Any statements made by **you** or on **your** behalf, in the absence of fraud, will be deemed representations and not warranties. Statements arising from an error in the application for coverage may not be used in defense of a claim under this **policy** unless:
 - (1) The statements are contained in a written application; and
 - (2) A copy of the application is endorsed upon or attached to this **policy** when issued.
- c. **We** may use representations made by **you** or on **your** behalf in defense of a claim under this **policy** only if **we** show that such representations are material and that **we** relied upon them.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 12.e. **Your duties and the mortgagor's duties after loss**, is amended as follows:

12. Your duties and the mortgagor's duties after loss:

- e. Send to **us** within 90 days after loss the list described in 12(d), a proof of loss signed and sworn to by **you** and the mortgagor, including:

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal**, is deleted and replaced with the following:

13. **Appraisal:** If **you** and **we** fail to agree on the value of the **property** or the amount of loss, both parties may agree to an appraisal of the loss and to be bound by the results of that appraisal. If both so parties agree, then **you** and **we** shall select a competent and impartial appraiser. The two appraisers will then select an umpire. If they cannot agree on the selection of an umpire, either may request that a judge of a court having jurisdiction make the selection. The appraisers will state separately the value of the **property** and the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party shall pay its chosen appraiser and bear the other expenses of the appraisal and umpire equally. If there is an appraisal, **we** shall retain **our** right to deny the claim.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance**, are deleted and replaced with the following:

27. a. Cancellation – Mortgage Security Master Policy:

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for less than 60 days **we** may cancel the **policy** for any reason by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation.
- (3) If this **policy** has been in effect for 60 days more or if it is a renewal with **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation. **We** may cancel only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Fraud or material misrepresentation made by **you** or with **your** knowledge, in obtaining, continuing, or in the presentation of a claim under the **policy**;
 - (c) A substantial increase in the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision;

- (d) **Your** failure to comply with reasonable loss control recommendations;
- (e) A substantial breach of contractual duties, conditions, or warranties;
- (f) A determination by the Commissioner of Insurance that the continuation of the line of insurance or class of business to which this **policy** belongs would jeopardize **our** solvency or will place **us** in violation of the insurance laws of Oregon or any other state;
- (g) A loss or decrease in reinsurance covering the risk; or
- (h) Any other reason approved by the Commissioner of Insurance by rule.
- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation.
 - (b) Cancellation will not be effective until at least 10 working days after **you** have received **our** notice of cancellation.
 - (c) If notice is mailed, a post office certificate of mailing shall be conclusive proof that **you** received **our** notice of cancellation on the third calendar day after the date of the certificate of mailing.
- b. **Cancellation – Mortgagor's Notice of Insurance:**
 - (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
 - (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days **we** may cancel the **Mortgagor's Notice of Insurance** for any reason by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation.
 - (3) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days more or if it is a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation. **We** may cancel only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Fraud or material misrepresentation made by **you** or the mortgagor or with **your** or the mortgagor's knowledge, in obtaining, continuing, or in the presentation of a claim under the **Mortgagor's Notice of Insurance**;
 - (c) A substantial increase in the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision;
 - (d) **Your** or the mortgagor's failure to comply with reasonable loss control recommendations;
 - (e) A substantial breach of contractual duties, conditions, or warranties;
 - (f) A determination by the Commissioner of Insurance that the continuation of the line of insurance or class of business to which this **Mortgagor's Notice of Insurance** belongs would jeopardize **our** solvency or will place **us** in violation of the insurance laws of Oregon or any other state;
 - (g) A loss or decrease in reinsurance covering the risk; or
 - (h) Any other reason approved by the Commissioner of Insurance by rule.
 - (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled and any coverage will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
 - (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation.
 - (b) Cancellation will not be effective until at least 10 working days after **you** and the mortgagor have received **our** notice of cancellation. Coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) If notice is mailed, a post office certificate of mailing shall be conclusive proof that **you** and the mortgagor received **our** notice of cancellation on the third calendar day after the date of the certificate of mailing.
 - (d) Coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on the cancellation date. **We** shall have no further liability for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

- (1) **We** may elect not to renew this **policy** and/or **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at the last mailing addresses known to **us**, written notice of nonrenewal before the:
 - (a) Expiration of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - (b) Anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year or written without a fixed expiration date.
- (2) If this **policy** and/or **Mortgagor's Notice of Insurance** is issued for a term of more than one year and for additional consideration the premium is guaranteed, **we** may not refuse to renew the **policy** and/or **Mortgagor's Notice of Insurance** at the anniversary date.
- (3) Other nonrenewal provisions:
 - (a) Notice will state the reason(s) for nonrenewal.
 - (b) Nonrenewal will not be effective until at least 45 days after the first **named insured** and/or mortgagor receives **our** notice of nonrenewal.
 - (c) If notice is mailed, a post office certificate of mailing shall be conclusive proof that the first **named insured** and/or mortgagor received **our** notice of nonrenewal on the third calendar day after the date of the certificate of mailing.

The following provision is added to Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III:

28. b. **Renewal with Altered Terms:**

Should **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** and the renewal includes higher rates and/or less favorable terms, **we** will mail or deliver to the first **named insured** and/or the mortgagor at the last mailing addresses known to **us**, written notice of our renewal offer at least 45 days before the renewal effective date. If notice is mailed, a post office certificate of mailing shall be conclusive proof that the first **named insured** and/or mortgagor received **our** notice of nonrenewal on the third calendar day after the date of the certificate of mailing.

The following provisions, Item 30. **Bankruptcy** and Item 31. **Attorney Fees** are added to the Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III:

30. **Bankruptcy:** Bankruptcy or insolvency of any **insured** shall not relieve **us** of **our** obligations under this **policy**.

31. **Attorney Fees:** If a claim settlement is not made within 6 months from the date proof of loss is filed with **us** and an action is brought in any Oregon court, should **your** recovery in such action exceed the amount of payment made by **us**, the court will set an amount of attorney fees to be paid as part of the costs of the legal action and any appeal, unless both parties agree to binding arbitration.

The following provision is added to the Mortgage Security Master Policy, Section II – Residential Property Coverage, Perils Insured Against:

We insure for risk of direct physical loss to **insured property** under this section **except:**

11. Loss to **insured property** if the **property** had been vacant for more than 60 consecutive days immediately preceding the loss, unless **we** had been notified in writing of such vacancy, the appropriate premium had been paid, and **you** had secured the **property** and conducted monthly inspections of the interior and exterior. Vacant means the **insured property** contains no contents or only minimal contents pertaining to operations or activities customary to occupancy of the building. A dwelling being constructed is not considered vacant.

The Mortgage Security Master Policy, Section III – Commercial Property Coverage, Perils Insured Against, Item 8.c. **Vandalism and Malicious Mischief** is amended as follows:

We insure for direct loss to **insured property** caused by:

8. **Vandalism or malicious mischief**, meaning the willful and malicious damage to or destruction of **insured property**.

We shall not be liable for loss:

- c. If the **insured property** had been vacant for more than 60 consecutive days immediately preceding the loss, unless **we** had been notified in writing of such vacancy, the appropriate premium had been paid, and **you** had secured the **property** and conducted monthly inspections of the interior and exterior. Vacant means the **insured property** contains no contents or only minimal contents pertaining to operations or activities customary to occupancy of the building. A dwelling being constructed is not considered vacant.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
PENNSYLVANIA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, **Loss payment**, Item 16.b. is amended as follows:

16. Loss payment:

- b. **We** will give notice of **our** intentions within 15 working days after **we** receive the sworn statement of loss.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Items 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance**, are deleted and replaced with the following:

27. a. Cancellation – Mortgage Security Master Policy:

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel the **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If the **policy** has been in effect for less than 60 days, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least 30 working days before the effective date of cancellation.
- (3) If the **policy** has been in effect for 60 days or more, or if it is a renewal of a **policy** issued by **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - (a) 15 working days before the effective date of cancellation when **you** have made a material misrepresentation that affects the insurability of the risk.
 - (b) 15 working days before the effective date of cancellation when **you** have failed to pay the premium due.
 - (c) 60 working days before the effective date of cancellation when cancellation is due to one or more of the following:
 - (i) A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the **policy** term.
 - (ii) Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease shall, at the time of cancellation, be certified to the Insurance Commissioner as directly affecting in-force policies.
 - (iii) **You** have made a material misrepresentation which affects the insurability of the risk.
 - (iv) The **policy** was obtained through fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by **us**.
 - (v) **You** have failed to pay a premium when due.
 - (vi) **You** have requested cancellation.
 - (vii) **You** have failed to comply with **policy** terms, conditions or contractual duties.
 - (viii) Other reasons that the Insurance Commissioner may approve.

Nothing in this paragraph shall restrict **our** right to rescind the **policy** from inception upon discovery that it was obtained through fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by **us**.

- (4) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

27. b. Cancellation – Mortgagor's Notice of Insurance:

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.

- (2) If the **Mortgagor's Notice of Insurance** has been in effect for less than 60 days, **we** may cancel the policy by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us**, written notice of cancellation at least 30 working days before the effective date of cancellation.
- (3) If the **Mortgagor's Notice of Insurance** has been in effect for 60 days or more, or if it is a renewal issued by **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 15 working days before the effective date of cancellation when **you** have made a material misrepresentation that affects the insurability of the risk.
 - (b) 15 working days before the effective date of cancellation when **you** have failed to pay the premium due.
 - (c) 60 working days before the effective date of cancellation when cancellation is due to one or more of the following:
 - (i) A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the **policy** period.
 - (ii) Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease shall, at the time of cancellation, be certified to the Insurance Commissioner as directly affecting in-force policies.
 - (iii) **You** have made a material misrepresentation which affects the insurability of the risk.
 - (iv) The **Mortgagor's Notice of Insurance** was obtained through fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by **us**.
 - (v) **You** have failed to pay a premium when due.
 - (vi) **You** have requested cancellation.
 - (vii) **You** have failed to comply with **policy** terms, conditions or contractual duties.
 - (viii) Other reasons that the Insurance Commissioner may approve.

Nothing in this paragraph shall restrict **our** right to rescind the **Mortgagor's Notice of Insurance** from inception upon discovery that it was obtained through fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by **us**.

- (4) Other termination provisions:
 - (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** **We** may elect not to renew any **policy** for one or more of the approved reasons by mailing or delivering written notice of nonrenewal, stating the reason(s) for nonrenewal, to the first **named insured** and the first **named insured's** agent or broker at the their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** for one or more of the approved reasons by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

We will mail or deliver notice at least:

- a. 15 working days before the effective date of nonrenewal when **you** have made a material misrepresentation or when **you** have failed to pay the premium due.
- b. 60 working days before the effective date of nonrenewal for all other approved reasons or if the **policy** had been written for a term of one year or more.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 30. **Renewal premium increase** is added as follows:

30. **Renewal premium increase:** If **we** increase **your** renewal premium, **we** will mail or deliver written notice of **our** intent to increase the premium at least 30 working days prior to the effective date of the increase. Notice will be mailed or delivered to the first **named insured** at the last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
RHODE ISLAND AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for less than 60 days and it is not a renewal with **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- (3) If this **policy** has been in effect for 60 days or more or if it is a renewal with **us**, **we** shall not cancel the **policy** unless the cancellation is based upon one or more of the reasons listed below. If **we** cancel for one or more of these reasons, written notice will be mailed or delivered to the first **named insured** at the last mailing address known to us at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 30 days before the effective date of cancellation if **we** cancel for any of the following reasons:
 - (i) Fraud or material misrepresentation made by or with the knowledge of the first **named insured** in obtaining the **policy**, continuing the **policy**, or in presenting a claim under the **policy**;
 - (ii) Activities or omissions on the part of the first **named insured** that increase any hazard insured against, including the failure to comply with loss control recommendations;
 - (iii) Changes in risk which increase the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to regulation, legislation, or court decision;
 - (iv) Loss or decrease of **our** reinsurance covering all or part of the risk or exposure covered by the **policy**;
 - (v) Determination by the Commissioner of Insurance that continuation of the **policy** would jeopardize **our** solvency or would place **us** in violation of the insurance laws of Rhode Island;
 - (vi) Owner or occupant incendiaryism;
 - (vii) Violation or breach by the first **named insured** of any **policy** terms or conditions;
 - (viii) Constructive or actual total loss of the **insured property**; or
 - (ix) Such other reasons as may be approved by the Commissioner of Insurance.
- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) **We** shall provide the first **named insured** with a written statement setting forth the reason(s) for cancellation when:
 - (a) **You** provide **us** with a written request for such statement; and
 - (b) **You** agree in writing to hold **us** harmless from liability for any communication giving notice of or specifying any reason(s) for cancellation or for any statement made in connection with an attempt to discover or verify the existence of a condition that would be a reason for cancellation.
- (6) Other termination provisions:
 - (a) Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - (b) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (c) If notice is mailed, proof of mailing by the United States Postal Service certificate of mailing shall be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.

- (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and it is not a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 30 days before the effective date of cancellation if **we** cancel for any other reason.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more or if it is a renewal with **us**, **we** shall not cancel the **Mortgagor's Notice of Insurance** unless the cancellation is based upon one or more of the reasons listed below. If **we** cancel for one or more of these reasons, written notice will be mailed or delivered to the first **named insured** and the mortgagor at the last mailing addresses known to **us** at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel for nonpayment of premium;
 - (b) 30 days before the effective date of cancellation if **we** cancel for any of the following reasons:
 - (i) Fraud or material misrepresentation made by or with the knowledge of the first **named insured** and/or mortgagor in obtaining, continuing, or in presenting a claim under the **Mortgagor's Notice of Insurance**;
 - (ii) Activities or omissions on the part of the first **named insured** and/or the mortgagor that increase any hazard insured against, including the failure to comply with loss control recommendations;
 - (iii) Changes in risk which increase the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to regulation, legislation, or court decision;
 - (iv) Loss or decrease of **our** reinsurance covering all or part of the risk or exposure covered by the **Mortgagor's Notice of Insurance**;
 - (v) Determination by the Commissioner of Insurance that continuation of the **Mortgagor's Notice of Insurance** would jeopardize **our** solvency or would place **us** in violation of the insurance laws of Rhode Island;
 - (vi) Owner or occupant incendiarism;
 - (vii) Violation or breach by the first **named insured** and/or mortgagor of any terms or conditions of the **Mortgagor's Notice of Insurance**;
 - (viii) Constructive or actual total loss of the **insured property**; or
 - (ix) Such other reasons as may be approved by the Commissioner of Insurance.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) **We** shall provide the first **named insured** and the mortgagor with a written statement setting forth the reason(s) for cancellation when:
 - (a) The first **named insured** provides **us** with a written request for such statement; and
 - (b) The first **named insured** and the mortgagor agree in writing to hold **us** harmless from liability for any communication giving notice of or specifying any reason(s) for cancellation or for any statement made in connection with an attempt to discover or verify the existence of a condition that would be a reason for cancellation.
- (6) Other termination provisions:
 - (a) Notice will state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (b) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (c) If notice is mailed, proof of mailing by the United States Postal Service certificate of mailing shall be sufficient proof of notice.
 - (d) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

- (1) **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal, stating the reason(s) for nonrenewal, at least 60 days before the:
 - (a) Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - (b) Anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

- (2) Notice shall not be required when:
 - (a) **We** or a company within **our** same insurance group, has offered to issue a renewal **policy**; or
 - (b) **You** have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
 - (3) If **we** fail to provide the required notice, coverage shall remain in effect until 60 days after notice is given or delivered. Any premium for the period of coverage extending beyond the expiration date shall be considered pro-rata based upon the expiring policy's rate.
 - (4) If notice is mailed, proof of mailing by the United States Postal Service certificate of mailing shall be sufficient proof of notice.
- b. **Renewal with changes:**
- (1) Should **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** and the renewal includes a premium increase in excess of ten percent (10%), **we** will mail or deliver to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice at least 60 days before the renewal **policy** effective date. Notice shall include the renewal premium or a reasonable estimate of the renewal premium.
 - (2) Should the renewal include an increase in deductible, or an elimination, reduction, or diminution of coverage, **we** will mail or deliver written notice of such changes to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, at least 60 days before the renewal **policy** effective date. Notice shall be mailed or delivered separate of the renewal **policy**.
 - (3) Notice shall not be required if such changes are made at the request of the first **named insured** and/or mortgagor.
 - (4) If notice is mailed, proof of mailing by the United States Postal Service certificate of mailing shall be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
SOUTH CAROLINA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Items 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance**, are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) **We** may cancel this **policy** only for the reasons stated in this provision by notifying **you** in writing the date cancellation is to take effect. This cancellation notice may be mailed or delivered to the first **named insured** at the last mailing address known to **us**. The following cancellation provisions apply:
 - (a) When **you** have not paid the premium, **we** may cancel at any time by notifying **you** at least 10 days before the date cancellation is to take effect.
 - (b) When this **policy** has been in effect for less than 120 days and is not a renewal with **us**, **we** may cancel for any reason by notifying **you** at least 30 days before the date cancellation is to take effect.
 - (c) When this **policy** has been in effect for 120 days or more or at any time if it is a renewal with **us**, **we** may cancel:
 - (i) If there has been a material misrepresentation of fact, which if known to **us**, would have caused **us** not to issue the **policy**;
 - (ii) If the risk has changed substantially since the **policy** was issued, except to the extent that **we** should reasonably have foreseen the change or contemplated the risk in writing this **policy**;
 - (iii) In the event of a substantial breach of a contractual duty, condition or warranty; or
 - (iv) If **we** lose our reinsurance covering all or a significant portion of this **policy**, or where continuation of the **policy** would imperil **our** solvency or place **us** in violation of the insurance laws of this state.

Cancellation for these reasons is subject to approval by the Commissioner of Insurance.

This can be done by notifying **you** at least 60 days before the date cancellation is to take effect. However, if **your** cancellation takes effect between June 1st and October 31st, **we** will notify **you** at least 90 days before the date cancellation is to take effect.

- (3) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (4) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) **We** may cancel any **Mortgagor's Notice of Insurance** only for the reasons stated in this provision by notifying first **named insured** and the mortgagor in writing the date cancellation is to take effect. This cancellation notice may be mailed or delivered to **you** and the mortgagor at their last mailing addresses known to **us**. The following cancellation provisions apply:
 - (a) When **you** have not paid the premium, **we** may cancel at any time by notifying first **named insured** and the mortgagor at least 10 days before the date cancellation is to take effect.
 - (b) When this **policy** or any **Mortgagor's Notice of Insurance** has been in effect for less than 120 days and is not a renewal with **us**, **we** may cancel for any reason by notifying **you** at least 30 days before the date cancellation is to take effect.

- (c) When this **policy** or any **Mortgagor's Notice of Insurance** has been in effect for 120 days or more or at any time if it is a renewal with **us**, **we** may cancel:
 - (i) If there has been a material misrepresentation of fact, which if known to **us**, would have caused **us** not to issue the **policy** or **Mortgagor's Notice of Insurance**;
 - (ii) If the risk has changed substantially since the **policy** or **Mortgagor's Notice of Insurance** was issued, except to the extent that **we** should reasonably have foreseen the change or contemplated the risk in writing this **policy** or **Notice**;
 - (iii) In the event of a substantial breach of a contractual duty, condition or warranty; or
 - (iv) If **we** lose our reinsurance covering all or a significant portion of this **policy** or any **Mortgagor's Notice of Insurance**, or where continuation of either would imperil **our** solvency or place **us** in violation of the insurance laws of this state.

Cancellation for these reasons is subject to approval by the Commissioner of Insurance.

This can be done by notifying **you** at least 60 days before the date cancellation is to take effect. However, if **your** cancellation takes effect between June 1st and October 31st, **we** will notify **you** at least 90 days before the date cancellation is to take effect.

- (3) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (4) Other termination provisions:
 - (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

- 28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 60 days before the:

- a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
- b. Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

However, if **your** cancellation takes effect between June 1st and October 31st, **we** will notify **you** at least 90 days before the date cancellation is to take effect.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
SOUTH DAKOTA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal** is deleted and replaced with the following:

13. **Appraisal:** Should **you** and **we** fail to agree on the amount of loss, the amount may be set by appraisal but only if both **you** and **we** request and agree to such appraisal. After both parties have agreed, each shall select a competent, independent appraiser and notify the other of their selected appraiser's identity within 20 days of the date the parties agreed to the appraisal. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge or a court of record in the state where the **property** is located to select an umpire. The appraisers shall state separately the value of the **property** and the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Any outcome of the appraisal will not be binding on either **you** or **us**. Each party shall pay the appraiser they selected. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by **you** and **us**. If **we** submit to an appraisal, **we** shall retain **our** right to deny the claim.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us** is deleted and replaced with the following:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless the action is brought within 6 years after the date on which the direct physical loss or damage occurred.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Items 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance**, are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for 60 days or less and if it is not a renewal with **us**, **we** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least 20 days before the effective date of cancellation.
- (3) If this **policy** has been in effect for more than 60 days, or if it is a renewal of a **policy we** issued, **we** may cancel this **policy** only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Discovery of fraud or material misrepresentation made by or with the knowledge of the first **named insured** in obtaining the **policy**, continuing the **policy**, or in presenting a claim under the **policy**;
 - (c) Discovery of acts or omissions on the part of the first **named insured** which increase any hazard insured against;
 - (d) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
 - (e) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any **insured property** or the occupancy thereof which substantially increases any hazard insured against;
 - (f) A determination by the Director of Insurance that the continuation of the **policy** would jeopardize **our** solvency or would place **us** in violation of the insurance laws of South Dakota;
 - (g) Violation or breach by the first **named insured** of any **policy** terms or conditions; or
 - (h) Such other reasons as are approved by the Director of Insurance.
- (4) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for cancellation and the effective date of cancellation. The **policy** period will end on that date.
 - (b) Notice will be mailed or delivered to the first **named insured** at the last mailing address known to **us**.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or less and if it is not a renewal with **us**, **we** may cancel this **policy** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us** written notice of cancellation at least 20 days before the effective date of cancellation.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for more than 60 days, or if it is a renewal of a **policy we** issued, **we** may cancel the **Mortgagor's Notice of Insurance** only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Discovery of fraud or material misrepresentation made by or with the knowledge of the **named insured** or the mortgagor in obtaining, continuing, or in presenting a claim under the **Mortgagor's Notice of Insurance**;
 - (c) Discovery of acts or omissions on the part of the **named insured** or mortgagor which increase any hazard insured against;
 - (d) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
 - (e) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any **insured property** or the occupancy thereof which substantially increases any hazard insured against;
 - (f) A determination by the Director of Insurance that the continuation of the **Mortgagor's Notice of Insurance** would jeopardize **our** solvency or would place **us** in violation of the insurance laws of South Dakota;
 - (g) Violation or breach by the **named insured** or the mortgagor of any **policy** terms or conditions; or
 - (h) Such other reasons as are approved by the Director of Insurance.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled and any coverage will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) The notice of cancellation will state the reason(s) for cancellation and the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) Notice will be mailed or delivered to the first **named insured** and the mortgagor at the last mailing addresses known to **us**.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured**, the first **named insured's** agent or broker, and/or the mortgagor at their last mailing addresses known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 60 days before the:
- a. Expiration of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance** if either were written for a term of more than 1 year.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 29. **Premium refunds** is deleted and replaced with the following:

29. **Premium refunds:**
- a. If either **you** or **we** cancel a **Mortgagor's Notice of Insurance**, **we** will refund the unused portion of the premium computed on a pro rata basis.
 - b. Refunds due **you** on a **Mortgagor's Notice of Insurance** that cancelled due to foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title will be made directly to **you** within 20 days after **you** have notified **us** of the date of foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title. Cancellation shall be effective as of such date even if **you** have failed to provide such notice to **us**.
 - c. Refunds of premium other than those described in 29(b) above will be made directly to **you** at the time cancellation is effected or within 20 days after **we** receive **your** request for cancellation. If **we** cancel, refunds will be made within 20 days after the effective date of cancellation. Payment or the return of unearned premium is not a consideration of cancellation.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
TENNESSEE AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy**, and Item 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. Cancellation – Mortgage Security Master Policy:

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) When **you** have not paid the premium, **we** may cancel this **policy** at any time by mailing or delivering to the first **named insured** at the last mailing address known to **us** advance written notice of cancellation at least 10 days before the date cancellation takes effect.
- (3) When this **policy** has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel for any reason by notifying **you** at least 10 days before the date cancellation takes effect.
- (4) When this **policy** has been in effect for 60 days or more, or at any time if it is a renewal with **us**, **we** may cancel for any one or more of the following reasons by notifying **you** at least 30 days before the date cancellation takes effect:
 - (a) If **you** have not paid the premium;
 - (b) If the first **named insured** or any mortgagor has been convicted of a crime which affects any hazard insured against;
 - (c) Discovery of any fraud or material misrepresentation on the part of the first **named insured**, the first **named insured's** representative, or any mortgagor in obtaining this insurance or in pursuing a claim under this **policy**;
 - (d) **Your** or the mortgagor's failure to comply with written loss control recommendations;
 - (e) If the risk has changed substantially since the **policy** was issued;
 - (f) Determination by the Insurance Commissioner that continuation of the **policy** or any **Mortgagor's Notice of Insurance** would jeopardize **our** solvency or would place **us** in violation of the insurance laws of Tennessee or any other state;
 - (g) **Your** or any mortgagor's violation or breach of any **policy** terms or conditions; or
 - (h) Other reasons approved by the Insurance Commissioner.
- (5) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (6) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

27. b. Cancellation – Mortgagor's Notice of Insurance:

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) When **you** have not paid the premium, **we** may cancel any **Mortgagor's Notice of Insurance** at any time by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us** advance written notice of cancellation at least 10 days before the date cancellation takes effect.
- (3) When a **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel for any reason by notifying first **named insured** and the mortgagor at least 10 days before the date cancellation takes effect.
- (4) When a **Mortgagor's Notice of Insurance** has been in effect for 60 days or more, or at any time if it is a renewal with **us**, **we** may cancel for any one or more of the following reasons by notifying first **named insured** and the mortgagor at least 30 days before the date cancellation takes effect:

- (a) If **you** have not paid the premium;
 - (b) If the first **named insured** or any mortgagor has been convicted of a crime which affects any hazard insured against;
 - (c) Discovery of any fraud or material misrepresentation on the part of the first **named insured**, the first **named insured's** representative, or any mortgagor in obtaining this insurance or in pursuing a claim under this **policy**;
 - (d) **Your** or the mortgagor's failure to comply with written loss control recommendations;
 - (e) If the risk has changed substantially since the **policy** was issued;
 - (f) Determination by the Insurance Commissioner that continuation of the **policy** or any **Mortgagor's Notice of Insurance** would jeopardize **our** solvency or would place **us** in violation of the insurance laws of Tennessee or any other state;
 - (g) **Your** or any mortgagor's violation or breach of any **policy** terms or conditions; or
 - (h) Other reasons approved by the Insurance Commissioner.
- (5) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
- (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (4) Other termination provisions:
- (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.
 - (e) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is amended as follows:

28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 60 days before the:
- a. Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
TEXAS AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal**, is amended by adding the following:

If there is an appraisal:

- a. **You** shall retain **your** right to bring suit against **us**, subject to **policy** provisions; and
- b. **We** shall retain **our** right to deny the claim.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us** is deleted and replaced with the following:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
- a. There has been full compliance with all the terms of this **policy**; and
 - b. The action is brought within 2 years and 1 day from the date the cause of action first accrues. A cause of action first accrues on the date of the initial breach of **our** contractual duties alleged in the action.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 16. **Loss payment** is deleted and replaced with the following:

16. Loss payment:

- a. In the event of loss or damage covered by this **policy**, at **our** option, **we** will either:
 - (1) Pay the value of lost or damaged **property**;
 - (2) Pay the cost of repairing or replacing the lost or damaged **property**;
 - (3) Take all or any part of **insured property** at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the **property** with other **property** of like kind and quality.
- b. Within 15 days after **we** receive written notice of the claim, **we** will:
 - (1) Acknowledge receipt of the claim. If **we** do not acknowledge receipt of the claim in writing, **we** will keep record of the date, method and content of the acknowledgment;
 - (2) Begin any investigation of the claim; and
 - (3) Request a signed, sworn statement of loss; specify the information **you** must provide; and supply **you** with the necessary forms. **We** may request more information at a later date, if during the investigation of the claim it is determined additional information is necessary.
- c. **We** will provide written notification to **you** of the following:
 - (1) If the claim or part of the claim will be paid;
 - (2) If the claim or part of the claim has been denied and the reasons for denial;
 - (3) If additional information is necessary; or
 - (4) If additional time is needed to reach a decision and the reasons contributing to the need.
- d. **We** will provide written notification, as described in c. (1) through c. (4) above, within:
 - (1) 15 business days after **we** receive the signed, sworn statement of loss and all information **we** have requested; or
 - (2) 30 days after **we** receive the signed, sworn statement of loss and all information **we** have requested, if **we** have reason to believe the loss resulted from arson.

If **we** have notified **you** that additional time is needed to reach a decision, **we** must then either approve or deny the claim within 45 days of such notice.
- e. **We** will pay for covered loss or damage within 5 business days after:
 - (1) **We** have notified **you** that payment of the claim or part of the claim will be made and have reached an agreement with **you** on the amount of loss; or
 - (2) An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on **your** compliance with any of the terms of this **policy**, **we** will make payment within 5 business days after the date **you** have complied with such terms.

- f. If a claim is the result of a **catastrophe** or a **major natural disaster**, the claim handling and claim payment deadlines described above are extended an additional 15 days.
Catastrophe or major natural disaster means a weather related event that:
 - (1) Is declared a disaster under the Texas Disaster Act of 1975; or
 - (2) Is determined to be a catastrophe by the State Board of Insurance.
- g. **We** will not pay **you** more than **your insurable interest** in the covered **property**.
- h. **We** may adjust losses with the owners of lost or damaged **property** if other than **you**. If **we** pay the owners, such payments will satisfy **your** claims against **us** for the owners' **property**. **We** will not pay the owners more than their financial interest in the **insured property**.
- i. In the case of a total loss by fire to the **insured property** described in the Mortgage Security Master Policy Declarations, this **policy** shall be held and considered to be a liquidated demand against the company for the full amount of the **policy**. **We** will pay the total Coverage A – Dwelling and Coverage B – Other Structures limits of liability applicable to the **insured property** damaged by the total loss.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Items 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance**, are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If the **policy** has been in effect for less than 60 days, **we** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least 10 days before the effective date of cancellation. **We** may cancel for any reason except, that under the provisions of the Texas Insurance Code **we** may not cancel solely because **you** are an elected official.
- (3) If the **policy** has been in effect for 60 days or more or if it is a renewal or continuation of a **policy** issued by **us**, **we** may cancel this **policy** by mailing or delivering to the first named insured at the last mailing address known to **us** written notice of cancellation at least 10 days before the effective date of cancellation. **We** may cancel for one or more of the following reasons:
 - (a) Concealment, misrepresentation or fraud in regard to obtaining coverage under this **policy**;
 - (b) Failure to pay premiums when due;
 - (c) An increase in hazard within **your** control which would produce an increase in the rate;
 - (d) Loss of **our** reinsurance insuring all or part of the risk covered by this **policy**; or
 - (e) If **we** have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.

Under provisions of the Texas Insurance Code, **we** may not cancel this **policy** solely because **you** are an elected official.
- (4) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation. The **policy** period will end on that date.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

27. b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If a **Mortgagor's Notice of Insurance** has been in effect for less than 60 days, **we** may cancel by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least 10 days before the effective date of cancellation. **We** may cancel for any reason except, that under the provisions of the Texas Insurance Code **we** may not cancel solely because **you** are an elected official.
- (3) If the **Mortgagor's Notice of Insurance** has been in effect for 60 days or more or if it is a renewal or continuation of a **Mortgagor's Notice of Insurance** issued by **us**, **we** may cancel by mailing or delivering to the first **named insured** and the mortgagor at their last mailing addresses known to **us** written notice of cancellation at least 10 days before the effective date of cancellation. **We** may cancel for one or more of the following reasons:
 - (a) Concealment, misrepresentation or fraud by **you** in regard to obtaining coverage under the **Mortgagor's Notice of Insurance**;

- (b) Failure to pay premiums when due;
- (c) An increase in hazard within **your** control which would produce an increase in the rate;
- (d) Loss of **our** reinsurance insuring all or part of the risk covered by the **Mortgagor's Notice of Insurance**; or
- (e) If **we** have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.

Under provisions of the Texas Insurance Code, **we** may not cancel a **Mortgagor's Notice of Insurance** solely because **you** are an elected official.

- (4) A **Mortgagor's Notice of Insurance** shall automatically cancel and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) The notice of cancellation will state the effective date of cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at their last mailing addresses known to **us**. **We** may also elect not to renew any **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. Under provisions of the Texas Insurance Code, **we** may not refuse to renew this **policy** solely because **you** are an elected official.

We will mail or deliver notice at least 60 days before:

- a. The expiration date of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
- b. The anniversary date of this **policy** and/or any **Mortgagor's Notice of Insurance**, if either were written for a term of more than one year.

If notice is mailed, proof of mailing will be sufficient proof of notice.

If notice of nonrenewal is mailed or delivered less than 60 days before the expiration date, the **policy** and/or any **Mortgagor's Notice of Insurance** will remain in effect until the 61st day after the date the notice is mailed or delivered. Earned premium for any period of coverage extending beyond the expiration date will be computed pro rata based on the previous year's premium. The transfer of an insured between admitted companies within the same insurance group is not considered a refusal to renew.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call American National Property And Casualty Company's toll free telephone number for information or to make a complaint at:

1-800-899-6502

You may also write to the Company at:
American National Property And Casualty Company
Credit Insurance Division
1949 E Sunshine St.
Springfield, MO 65899-0001

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104

FAX: (512) 475-1771

Web: <http://www.tdi.texas.gov>

E-mail: ConsumerProtection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact American National Property And Casualty Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener información o para someter una queja:

Usted puede llamar al número de teléfono gratis de American National Property And Casualty Company para información o para someter una queja al:

1-800-899-6502

Usted también puede escribir a Compañía al:
American National Property And Casualty Company
Credit Insurance Division
1949 E Sunshine St.
Springfield, MO 65899-0001

Puede comunicarse con el Departamento de Seguros de Texas para obtener información acerca de compañías, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104

FAX: (512) 475-1771

Web: <http://www.tdi.texas.gov>

E-mail: ConsumerProtection@tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS: Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el American National Property And Casualty Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para propósito de información y no se convierte en parte o condición del documento adjunto.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
UTAH AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us** is deleted and replaced with the following:

15. **Legal action against us:** No one may bring a legal action against **us** under this **policy** or any **Mortgagor's Notice of Insurance** unless:
- There has been full compliance with all the terms of this **policy**; and
 - The action is brought within 3 years after the date **you** first have knowledge of the loss.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
- The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
 - If this **policy** has been in effect for less than 60 days or at any time if **you** have not paid the premium, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
 - If this **policy** has been in effect for 60 days or more, **we** may not cancel the **policy**, other than for nonpayment of premium, unless one or more of the following conditions apply:
 - Material misrepresentation;
 - A substantial change in the risk assumed, unless **we** should have reasonably foreseen or contemplated such change when issuing the **policy**; or
 - A substantial breach of contractual duties, conditions, or warranties.**We** will mail or deliver to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 30 days before the effective date of cancellation when the action is the result of one or more of the above conditions.
 - Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
 - Other termination provisions:
 - Notice will state the reason(s) for cancellation.
 - Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. **Cancellation – Mortgagor's Notice of Insurance:**
- The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
 - If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days or at any time if **you** have not paid the premium, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
 - If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more **we** may not cancel the **Mortgagor's Notice of Insurance**, other than for nonpayment of premium, unless one or more of the following conditions apply:
 - Material misrepresentation;
 - A substantial change in the risk assumed, unless **we** should have reasonably foreseen or contemplated such change when issuing the **Mortgagor's Notice of Insurance**; or
 - A substantial breach of contractual duties, conditions, or warranties.

We will mail or deliver to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 30 days before the effective date of cancellation when the action is the result of one or more of the above conditions.

- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
- (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
- (a) Notice will state the reason(s) for cancellation.
 - (b) Notice will state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice will be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (e) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Items 28.b. **Renewal** and 28.c. **Renewal with changes** are added as follows:

28. b. **Renewal:**

- (1) If **we** elect to renew this **policy** and/or a **Mortgagor's Notice of Insurance** and the renewal does not include less favorable terms and/or a rate increase, **we** will mail or deliver written notice to the first **named insured** and/or the mortgagor at the last mailing addresses known to **us**, not more than 45 days nor less than 14 days before the renewal premium is due.
- (2) Notice is not required when:
 - (a) **You** have accepted replacement coverage;
 - (b) **You** have requested or agreed to nonrenewal; or
 - (c) The **policy** and/or **Mortgagor's Notice of Insurance** is expressly designated as nonrenewable.
- (3) Other renewal provisions:
 - (a) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

c. **Renewal with changes:**

- (1) If **we** elect to renew this **policy** and/or a **Mortgagor's Notice of Insurance** and the renewal includes less favorable terms, and/or a rate increase, **we** will mail or deliver written notice to the first **named insured** and/or the mortgagor at the last mailing addresses known to **us**, at least 30 days before the expiration date of the existing **policy** and/or **Mortgagor's Notice of Insurance**.
- (2) Notice is not required when the change is the result of:
 - (a) A rate increase that is applicable to the class of business of the **policy** and/or **Mortgagor's Notice of Insurance**;
 - (b) A rate increase that is based upon a change in the insured risk; or
 - (c) A change that is made to comply with Utah law.
- (3) Other renewal provisions:
 - (a) A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
MORTGAGE SECURITY MASTER POLICY
VERMONT AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

I. GENERAL PROVISIONS – APPLICABLE TO SECTION II AND SECTION III, Paragraph 8. Concealment, Misrepresentation or Fraud is replaced by the following:

8. **Concealment, Misrepresentation or Fraud:** This **policy** is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by **you** or any other insured in obtaining this **policy**, at any time, concerning:
- This **policy**;
 - The **insured property**; or
 - Your** interest in **insured property**.

In the event of fraud, intentional concealment or misrepresentation of a material fact by **you** or any other insured concerning a claim under this **policy**, **we** will deny the claim and issue notice of cancellation for the **policy** or **Mortgagor's Notice of Insurance**. All such instances of fraud, concealment or misrepresentation, either in securing this **policy** or in presenting a claim, must be made with the actual intent to deceive, or materially affect either **our** acceptance of the risk or the hazard assumed by **us**.

II. GENERAL PROVISIONS – APPLICABLE TO SECTION II AND SECTION III, Paragraph 16. Loss Payment is replaced by the following:

16. **Loss payment:**
- In the event of loss or damage covered by this **policy**, at **our** option, **we** will either:
 - Pay the value of lost or damaged **property**;
 - Pay the cost of repairing or replacing the lost or damaged **property**;
 - Take all or any part of **insured property** at an agreed or appraised value; or
 - Repair, rebuild or replace the **property** with other **property** of like kind and quality.
 - We** will give notice of **our** intentions within 15 days after **we** receive the sworn statement of loss.
 - We** will not pay **you** more than **your insurable interest** in the covered **property**.
 - We** may adjust losses with the owners of lost or damaged **property** if other than **you**. If **we** pay the owners, such payments will satisfy **your** claims against **us** for the owners' **property**. **We** will not pay the owners more than their financial interest in the **insured property**.
 - We** will pay for covered loss or damage within 10 days after **we** receive the sworn statement of loss, if:
 - You** have complied with all of the terms of this **policy**; and
 - We** have reached agreement with **you** on the amount of loss or the amount of loss has been established by appraisal.

III. GENERAL PROVISIONS – APPLICABLE TO SECTION II AND SECTION III, Paragraph 27. is replaced by the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
- The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
 - We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least:
 - 15 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - 45 days before the effective date of cancellation if **we** cancel for any other reason.
 - If this **policy** has been in effect for less than 60 days, **we** may cancel for any reason. If this **policy** has been in effect for 60 days or more, **we** may cancel only for:
 - Non-payment of premium;
 - Fraud or misrepresentation affecting the **policy** or in the presentation of a claim thereunder, or violation of any of the terms or conditions of the **policy**; or
 - Substantial increase in hazard, provided that cancellation for this reason shall be effective only after prior approval of the Commissioner

- (4) Cancellation of the **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
 - (5) Other termination provisions:
 - (a) Notice of cancellation will state the effective date of cancellation and the reason(s) for cancellation. The **policy** period will end on that date.
 - (b) If notice of cancellation is mailed, such notice shall be by certified mail, except in the case of cancellation for nonpayment of premium, where notice shall be by certified mail or certificate of mailing. If notice is mailed, proof of mailing will be sufficient proof of notice.
- b. **Cancellation – Mortgagor's Notice of Insurance:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
 - (2) **We** may cancel a **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us** written notice of cancellation at least:
 - (a) 15 days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - (b) 45 days before the effective date of cancellation if **we** cancel for any other reason.
 - (3) If the **Mortgagor's Notice of Insurance** has been in effect for less than 60 days, **we** may cancel for any reason. If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more, **we** may cancel only for:
 - (a) Non-payment of premium;
 - (b) Fraud or misrepresentation affecting the **Mortgagor's Notice of Insurance** or in the presentation of a claim thereunder, or violation of any of the terms or conditions of the **Mortgagor's Notice of Insurance**; or
 - (c) Substantial increase in hazard, provided that cancellation for this reason shall be effective only after prior approval of the Commissioner
 - (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
 - (5) Other termination provisions:
 - (a) The notice of cancellation will state the effective date of cancellation and the reason(s) for cancellation. The coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date;
 - (b) The cancellation will be effective even if **we** have not made or offered a refund;
 - (c) If notice of cancellation is mailed, such notice shall be by certified mail, except in the case of cancellation for nonpayment of premium, where notice shall be by certified mail or certificate of mailing. If notice is mailed, proof of mailing will be sufficient proof of notice; and
 - (d) The Company shall have no further liability under a **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

IV. GENERAL PROVISIONS – APPLICABLE TO SECTION II AND SECTION III, Paragraph 28. Nonrenewal is replaced by the following:

28. **Nonrenewal:** **We** may elect not to renew this **policy** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured** and the first **named insured's** agent or broker at the last mailing addresses known to **us**. **We** may also elect not to renew a **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the mortgagor at the mortgagor's last mailing address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver these notices at least 45 days before the:
- a. Expiration of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - b. Anniversary date of this **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.

We need not send such notice if **we** have indicated our willingness to renew this **policy**, if any **property** covered under this **policy** is insured under any other insurance **policy**, in case of nonpayment of premium, or if **you** fail to pay any advance premium required for renewal. If notice is mailed, it shall be sent by certified mail, except in the case of nonpayment of premium, where notice shall be by certified mail or certificate of mailing.

V. The following is added to **GENERAL PROVISIONS – APPLICABLE TO SECTION II AND SECTION III**:

Renewal

- a. If **we** have the necessary information to issue the renewal **policy**, **we** shall confirm in writing at least 45 days prior to the **policy** expiration, **our** intent to renew and the premium at which the **policy** is to be renewed. **You** shall have the right to renew the **policy** at this premium.
- b. If notice is not sent on a timely basis in accordance with a. above, the expiring **policy** shall continue in effect at the expiring rate or premium or at the rates in effect on the expiration date, whichever is lower, calculated on a pro rata basis, until 45 days after **we** confirm your renewal coverage and premium. However, this provision shall not apply if **you** accept the renewal **policy**.
- c. **We** may transfer the **policy** to an affiliated company without notice of nonrenewal, provided that:
 - (1) The rating by A.M. Best or a similarly qualified rating service of the affiliate is equal to or better than the transferring insurer;
 - (2) There is no diminution in the terms and conditions of coverage; and
 - (3) Notice of the transfer is provided to **you** at least 45 days prior to the transfer by first class mail, and in connection with such notice **we**:
 - (a) Comply with any requirements of federal law relating to notice of adverse credit determination;
 - (b) Include in the notice of transfer a telephone number of the insurer, or the producer, if any, where **you** can learn additional information concerning the transfer and the reasons for the transfer; and
 - (c) Comply with any other required provisions relating to renewal policies.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
VIRGINIA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, Section I – Master Policy, **Insuring Agreement** is deleted and replaced with the following:

We will pay for direct and accidental loss to **insured property** caused by the perils insured against, but only if such **property** is described in a **Mortgagor's Notice of Insurance** that was issued prior to the date of loss.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal** is deleted and replaced with the following:

13. **Appraisal:** If **you** and **we** fail to agree on the amount of loss, either can demand that the amount of the loss be set by appraisal. Upon written demand, each party shall select a competent, independent appraiser and notify the other of the selected appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge or a court of record in the state where the **property** is located to select an umpire. The appraisers shall then appraise and state separately the amount of the loss. If the appraisers submit a written report of agreement to **us**, the amount agreed upon by the appraisers shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of the selected appraisers or umpire shall set the amount of the loss. If **we** make written demand for the appraisal, **we** will reimburse **you** the reasonable expenses of the appraiser **you** selected and **your** portion of the expenses of the umpire. Otherwise, each party shall pay the appraiser they selected and shall share other expenses of the appraisal and the umpire equally.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, **Cancellation – Mortgage Security Master Policy**, Items 27.a.(2) and 27.a.(3) are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (2) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least 15 days before the effective date of cancellation if **we** cancel for nonpayment of premium.
- (3) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us** written notice of cancellation at least 45 days before the effective date of cancellation if **we** cancel for any other reason.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, **Cancellation – Mortgagor's Notice of Insurance**, Item 27.b.(2) and 27.b.(3) are deleted and replaced with the following:

27. b. **Cancellation – Mortgagor's Notice of Insurance:**

- (2) **We** may cancel any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us** written notice of cancellation at least 15 days before the effective date of cancellation if **we** cancel for nonpayment of premium.
- (3) **We** may cancel any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us** written notice of cancellation at least 45 days before the effective date of cancellation if **we** cancel for any other reason.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. **Nonrenewal:** **We** may elect to nonrenew this **policy** or **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal to the first **named insured**, the first **named insured's** agent or broker, and/or the mortgagor at the last mailing addresses known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice. **We** will mail or deliver notice:
- a. 15 days before the expiration of the **policy** and/or **Mortgagor's Notice of Insurance** if **we** elect to nonrenew due to nonpayment of premium; or
 - b. 45 days before the expiration of the **policy** and/or **Mortgagor's Notice of Insurance** if **we** elect to nonrenew due to any other reason.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 29. **Premium refunds**, is deleted and replaced with the following:

29. **Premium refunds:**

- a. If **we** cancel this **policy** or a **Mortgagor's Notice of Insurance**, **we** will refund the unused portion of the premium computed on a pro rata basis.
- b. If **you** cancel this **policy** or a **Mortgagor's Notice of Insurance**, **we** will refund the 90% of the unused portion of the premium computed on a pro rata basis. If cancellation takes place during the first year of a multi-year prepaid policy, **we** will return the full annual premium for subsequent years.
- c. Refunds due **you** on a **Mortgagor's Notice of Insurance** that cancelled due to foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title will be made directly to **you** as soon as practicable after **you** have notified **us** of the date of the foreclosure sale, deed in lieu of foreclosure, conveyance, or transfer of title. Cancellation shall be effective as of such date even if **you** have failed to provide notice to **us**.
- d. Refunds of premium other than those described in 29.(c) above will be made directly to **you** either at the time cancellation is effected or as soon as practicable after cancellation becomes effective. However, payment or the return of unearned premium is not a consideration of cancellation.

The Mortgage Security Master Policy, Section II, Residential Property Coverage – Exclusions, Item 1.d. **Fungus, wet rot, dry rot and bacteria** is deleted and replaced with the following:

1. d. **Fungus, wet rot, dry rot and bacteria**, meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. Fungus means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungus. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning or when resulting from the removal of covered **property** from a premise endangered by a peril insured against.

The Mortgage Security Master Policy, Section III, Commercial Property Coverage – Exclusions, Item 1.h. **Fungus, wet rot, dry rot and bacteria** is deleted and replaced with the following:

1. h. **Fungus, wet rot, dry rot and bacteria**, meaning the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria. Fungus means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungus. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning or when resulting from the removal of covered **property** from a premise endangered by a peril insured against.

The Mortgage Security Master Policy, Section II, Residential Property Coverage, Other Provisions, **Loss Settlement** Item 1.c. is deleted and replaced with the following:

1. **Loss Settlement:** Subject to the applicable limit of liability, losses to **insured property** are settled as follows:
 - c. Buildings under Coverage A – Dwelling or Coverage B – Other Structures:
 - (1) At repair or replacement cost without deduction for depreciation, but not to exceed the lesser of:
 - (a) The repair or replacement cost of that part of the building damaged using commonly used building materials to place the **property** in a habitable condition for use on the same premises; or
 - (b) The amount actually and necessarily spent to repair or replace the damaged building.
 - (2) When the cost to repair or replace the damage is more than \$1,000 or more than 5% of the dwelling limit of liability as described in the **Mortgagor's Notice of Insurance**, whichever is less, **we** will pay no more than the actual cash value of the damage until actual repair or replacement is completed.
 - (3) **You** may make an initial claim under this **policy** for loss or damage on an actual cash value basis. **You** may then make a claim, in accordance with the provisions of this section, for the difference between the actual cash value and the full replacement cost. Any claim for such difference must be made within six months of the later of the following:
 - (a) The last date on which **you** received payment for the actual cash value; or
 - (b) The date of entry of a final order of a court of competent jurisdiction declaratory of **your** right to the full replacement cost.

We may at **our** option replace **insured property** with property of similar kind, quality and value. If, as the result of **your** loss, **we** pay in cash, or by replacement of the **insured property** an amount equal to the actual cash value of the **property** before the loss, at **our** option **we** have the right to take legal title to the **insured property**. **We** will provide notice of **our** intention to take legal title within 30 days after **we** receive proof of loss.

ALL OTHER PROVISIONS OF THE POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
VOLUNTEER FIRE DEPARTMENT SERVICE CHARGE
VIRGINIA**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Virginia Insurance Code requires insurers to provide coverage for certain fees charged by a volunteer fire department. In compliance with Virginia Code, the following coverage is added to the Mortgage Security Master Policy, Section II – Residential Property Coverage and Section III – Commercial Property Coverage:

Volunteer Fire Department Service Charge

We will pay **you** up to \$250.00 for volunteer fire department services charges incurred when the volunteer fire department is called in to save or protect **insured property** from a peril insured against. This added coverage applies to **your** liability for service charges billed to **you** by a volunteer fire department, provided that:

1. The volunteer fire department is not fully funded by real estate taxes or other property taxes; and
2. The charge is not made pursuant to an agreement for service that is outside of the volunteer fire department's fire protection district, city or municipality.

This coverage is provided for all **properties** insured under a Mortgage Security Master Policy. Payments made under this coverage reduce the limit of liability of the **insured property** as described in the **Mortgagor's Notice of Insurance – Evidence of Insurance Coverage Placed**. There is no deductible applicable to this coverage.

ALL OTHER PROVISIONS OF THE POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
WASHINGTON AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, Section I - Master Policy, Definitions, Item 4. **Mortgagor's Notice Of Insurance** is deleted and replaced with the following:

4. **Mortgagor's Notice of Insurance** or **Notice** means an individual certificate of insurance providing specific coverages that protect **your** interest as mortgagee and in certain circumstances the borrower's interest as mortgagor, on **insured property**. The mortgagor is listed as the Borrower/Insured Mortgagor on the **Mortgagor's Notice of Insurance** and is provided with the terms and conditions that may apply to their interest. The mortgagor is not a **named insured** under the **policy**.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by notifying **us** or the agent advance notice of cancellation as follows:
 - (a) Written notice by mail, fax, or e-mail;
 - (b) Surrender of the **policy** or binder; or
 - (c) Verbal notice.Upon receipt of such notice, **we** will cancel the **policy** or any binder issued as evidence of coverage, effective on the later of the following:
 - (a) The date on which notice is received or the **policy** or binder is surrendered; or
 - (b) The date of cancellation requested by the first **named insured**.
- (2) **We** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - (a) 10 days before the cancellation date, if **we** cancel for nonpayment of premium; or
 - (b) 45 days before the cancellation date, if **we** cancel for any other reason.
- (3) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (4) **We** may not cancel this **policy** solely because a **named insured** is, has been, or may be a victim of domestic abuse.
- (5) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for cancellation.
 - (b) Notice of cancellation will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) A copy of the notice of cancellation will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by notifying **us** or the agent advance notice of cancellation as follows, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company:
 - (a) Written notice by mail, fax, or e-mail;
 - (b) Surrender of the **Mortgagor's Notice of Insurance** or binder; or
 - (c) Verbal notice.

Upon receipt of such notice, **we** will cancel the **Mortgagor's Notice of Insurance** or any binder issued as evidence of coverage, effective on the later of the following:

- (a) The date on which notice is received or the **Mortgagor's Notice of Insurance** or binder is surrendered; or
 - (b) The date of cancellation requested by the first **named insured**.
- (2) **We** may cancel a **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
- (a) 10 days before the cancellation date, if **we** cancel for nonpayment of premium; or
 - (b) 45 days before the cancellation date, if **we** cancel for any other reason.
- (3) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
- (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (4) **We** may not cancel a **Mortgagor's Notice of Insurance** solely because a **named insured** or mortgagor is, has been, or may be a victim of domestic abuse.
- (5) Other termination provisions:
- (a) The notice of cancellation will state the reason(s) for cancellation.
 - (b) The notice of cancellation will state the effective date of cancellation; the coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice of cancellation shall be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) The cancellation will be effective even if **we** have not made or offered a refund.
 - (e) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (f) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Renewal:**

- (1) If **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** we will mail or deliver to the first **named insured** and/or mortgagor at the last mailing addresses known to **us**, written notice of renewal, including the renewal premium, at least 20 days before the expiration date of the **policy**.
- (2) **We** will renew this **policy** and/or any **Mortgagor's Notice of Insurance** unless:
 - (a) The first **named insured** has failed to pay the renewal premium after **we** have expressed **our** willingness to renew;
 - (b) Other coverage acceptable to the first **named insured** has been procured prior to the expiration date of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - (c) The **policy** and/or **Mortgagor's Notice of Insurance** clearly states that it is not renewable and that it is for a specific coverage not offered on a renewable basis.
- (3) Other renewal provisions:
 - (a) A copy of the notice of nonrenewal will be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (b) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Nonrenewal:**

- (1) If **we** elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance**, **we** will mail or deliver to the first **named insured** and/or mortgagor at the last mailing addresses known to **us**, written notice of nonrenewal at least 45 days before:
 - (a) The expiration of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - (b) The anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term greater than one year.
- (2) **We** may not elect to nonrenew this **policy** and/or any **Mortgagor's Notice of Insurance** solely because the named insured or mortgagor is, has been, or may be a victim of domestic abuse.
- (3) Other nonrenewal provisions:
 - (a) Notice shall include the effective date and reason(s) for nonrenewal.
 - (b) A copy of the notice of nonrenewal will be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice.

The Mortgage Security Master Policy, Section II – Residential Property Coverage, **Exclusions** Item 1. is deleted and replaced with the following (subsequent items in this section are renumbered accordingly):

1. **We** will not pay for loss or damage resulting from any of the following when such loss or damage:
 - a. Is determined to have been caused directly and solely by the excluded event; or
 - b. Results from an ensuing event, regardless of its nature, in a sequence of events initiated by and happening at any time following the occurrence of the excluded event.

The Mortgage Security Master Policy, Section II – Residential Property Coverage, Other Provisions **Loss Settlement** Item 1.c.(1) is deleted and replaced with the following:

1. c. Buildings under Coverage A – Dwelling or Coverage B – Other Structures:
 - (1) At repair or **replacement cost**, meaning the cost, at the time of loss, to repair or replace the damaged **property**, using new material or property of like kind and quality without deduction for depreciation, but not to exceed the lesser of:

The Mortgage Security Master Policy, Section III – Commercial Property Coverage, **Exclusions** Item 1. is deleted and replaced with the following:

1. **We** will not pay for loss or damage resulting from any of the following when such loss or damage:
 - a. Is determined to have been caused directly and solely by the excluded event; or
 - b. Results from an ensuing event, regardless of its nature, in a sequence of events initiated by and happening at any time following the occurrence of the excluded event.

The Mortgage Security Master Policy, Section III – Commercial Property Coverage, Exclusions Item 1.j. **Volcanic eruption, explosion, or effusion** is deleted and replaced with the following:

1. j. **Volcanic eruption, explosion, or effusion:** But if loss or damage by fire or **volcanic action** results, **we** will pay for that resulting loss or damage. **Volcanic action** means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
 - (1) Airborne volcanic blast or airborne shock waves;
 - (2) Ash, dust or particulate matter; or
 - (3) Lava flow.All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
LIMITATIONS ON FUNGUS, WET ROT, DRY ROT AND BACTERIA
WASHINGTON**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The limited coverage for fungus, wet rot, dry rot and bacteria provided by this endorsement as described below is included in all Mortgage Security Master Policies issued to Financial Institutions/Lenders domiciled in the state of Washington. There is no additional premium applicable to this endorsement.

The Mortgage Security Master Policy, Section III, Commercial Property Coverage, **Perils Insured Against** is amended by the addition of the following:

9. Limited Coverage for Fungus, Wet Rot, Dry Rot and Bacteria:

- a. The limited coverage for **fungus**, wet rot, dry rot and bacteria described in Item b. below applies only when the **fungus**, wet rot, dry rot or bacteria is the result of a covered cause of loss other than fire or lightning that occurs during the **policy** period and only if all reasonable means were used to save and preserve the **property** from further damage at the time of and after that occurrence.
- b. **We** will pay for loss or damage by **fungus**, wet rot, dry rot or bacteria. As used in this limited coverage, the term loss or damage means:
 - (1) Direct physical loss or damage to **insured property**, caused by **fungus**, wet rot, dry rot or bacteria, including the cost of removal of the **fungus**, wet rot, dry rot or bacteria;
 - (2) The cost to tear out and replace any part of the building or other **insured property** as needed to gain access to the **fungus**, wet rot, dry rot or bacteria; and
 - (3) The cost of testing performed after removal, repair, replacement or restoration of the damaged **property** is completed, provided there is a reason to believe that **fungus**, wet rot, dry rot or bacteria are present.
- c. The coverage described under Item b. of this limited coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most **we** will pay for the total of all loss or damage arising out of all occurrences described in Item a., which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in **fungus**, wet rot, dry rot or bacteria, **we** will not pay more than a total of \$15,000 even if the **fungus**, wet rot, dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
- d. The coverage provided under this limited coverage does not increase the applicable limit of liability on any **insured property**. If a particular occurrence results in loss or damage by **fungus**, wet rot, dry rot or bacteria, and other loss or damage, **we** will not pay more, for the total of all loss or damage, than the applicable limit of liability on the affected **insured property**. If there is covered loss or damage to **insured property**, not caused by **fungus**, wet rot, dry rot or bacteria, loss payment will not be limited by the terms of this limited coverage, except to the extent that **fungus**, wet rot, dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this limited coverage.
- e. If this **policy** is endorsed to provide Ordinance or Law Coverage with respect to property damage, **we** will not pay under the Ordinance or Law Coverage for:
 - (1) Loss or expense sustained due to the enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of **insured property** due to the presence, growth, proliferation, spread or any activity of **fungus**, wet rot, dry rot or bacteria; or
 - (2) The costs associated with the enforcement of any ordinance or law which requires any **named insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **fungus**, wet rot, dry rot or bacteria.

If **fungus**, wet rot, dry rot or bacteria results in a covered loss caused by a peril insured against, **we** will pay for the loss or damage caused by that peril.

The following definition is added: **Fungus** means any type or form of **fungus**, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

The Mortgage Security Master Policy, Section III, Commercial Property Coverage, **Exclusions** is amended by the addition of the following exclusion:

We will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

The above exclusion replaces any other exclusion pertaining to continuous or repeated seepage or leakage of water and supersedes any other exclusion, preclusion of coverage or exception to an exclusion pertaining to leakage or discharge of water or steam from a system or appliance.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
COMMERCIAL ALL RISK COVERAGE ENDORSEMENT
WASHINGTON**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The commercial all risk coverage provided by this endorsement and described below is included in all Mortgage Security Master Policies issued to Financial Institutions/Lenders domiciled in the state of Washington. There is no additional premium applicable to this endorsement.

The Mortgage Security Master Policy, Section III – Commercial Property Coverage, **Perils Insured Against** is deleted and replaced with the following:

This **policy** insures against all risk of direct physical loss to **insured property** subject to the provisions and stipulations herein and in the **policy** of which this form is made a part, except losses excluded under Section III – Commercial Property Coverage, Exclusions.

The Mortgage Security Master Policy, Section III – Commercial Property Coverage, **Exclusions**, Item 2. is amended by the addition of the following:

2. **We** will not pay for loss or damage caused by or resulting from:
- f. Wear and tear, deterioration, rust or corrosion, mold, wet or dry rot, inherent or latent defect, smog; smoke, vapor or gas from agricultural or industrial operations; mechanical breakdown, including rupture or bursting caused by centrifugal force; settling, cracking, shrinkage, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings; animals, birds, vermin, termites or other insects; unless loss by a peril not otherwise excluded, and then **we** shall be liable for only such ensuing loss;
 - g. Explosion of steam boilers, steam pipes, steam turbines or steam engines (except direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox, or combustion chamber, of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom) if owned by, leased by or operated under the control of the **named insured**, or any ensuing loss by a peril not otherwise excluded ensures and then **we** shall be liable for only such ensuing loss;
The following are not explosions within the intent or meaning of these provisions:
 - (1) Shock waves caused by aircraft, generally known as "sonic boom";
 - (2) Electric arcing;
 - (3) Rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
 - (4) Water Hammer;
 - (5) Rupture or bursting of water pipes;
 - (6) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water;
 - (7) Rupture, bursting or operation of pressure relief devices.
 - h. Leakage or overflow from plumbing, heating, air conditioning or other equipment or appliances (except protective systems) caused by or resulting from freezing while the building is vacant or unoccupied, unless the **named insured** shall have exercised due diligence with respect to maintaining heat in the buildings or unless such equipment and appliances had been drained and the water supply shut off during such vacancy or unoccupancy;
 - i. Theft (including but not limited to burglary and robbery) of any property which at the time of loss is not installed or attached to and made a part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a peril not otherwise excluded in this **policy** ensures from theft or attempted theft, and then **we** shall be liable for only such ensuing loss;
 - j. Unexplained or mysterious disappearance of any property, or shortage disclosed on taking inventory, or caused by any willful or dishonest act or omission of the **named insured** or any associate, employee or agent of any **named insured**; or
 - k. Continuous or repeated seepage or leakage of water or steam from within a plumbing, heating or air conditioning system or from within domestic appliance which occurs over a period of weeks, months, or years;
 - l. Faulty design, specifications, workmanship, construction, or materials if a peril excluded by this **policy** contributes to the loss at any time.

ALL OTHER PROVISIONS OF THE POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
COMMERCIAL REPLACEMENT COST ENDORSEMENT
WASHINGTON**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The commercial replacement cost coverage provided by this endorsement and described below is included in all Mortgage Security Master Policies issued to Financial Institutions/Lenders domiciled in the state of Washington. There is no additional premium applicable to this endorsement.

Section III – Commercial Property Coverage, Other Provisions, Item 1. **Loss Settlement** is deleted and replaced with the following:

1. **Loss Settlement.** Subject to the applicable limit of liability, **insured property** losses are settled as follows:
 - a. **Property** and structures that are not buildings shall be paid at actual cash value at the time of loss, not to exceed the amount necessary to repair or replace;
 - b. Carpeting, domestic appliances, awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, shall be paid at actual cash value at the time of loss, not to exceed the amount necessary to repair or replace;
 - c. Building(s), as described under Section III – Commercial Property Coverage, Property Covered, Building(s) Coverage, shall be paid at **replacement cost** without deduction for depreciation, subject to the following:
 - (1) **We** will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the lesser of the following amounts:
 - (a) The limit of liability on the building(s);
 - (b) The **replacement cost** of that part of the building(s) damaged using commonly used building materials to place the **property** in a habitable condition for use on the same premises; or
 - (c) The amount actually and necessarily spent to repair or replace the damaged building(s).
 - (2) If **you** decide not to repair or replace the damaged **property**, at **our** option, **we** may make settlement on an actual cash value basis. **You** may make claim within one year after the loss for any additional payment on a repair or replacement.
 - (3) When the cost to repair or replace the damage exceeds \$1,000 or 5% of the building(s) limit of liability, whichever is less, **we** will pay no more than the actual cash value of the damage until actual repair or replacement is completed.
 - d. Tenant's Improvements and Betterments:
 - (1) If repaired or replaced at the expense of **you** or the mortgagor within a reasonable time after loss, the actual cash value of the damaged or destroyed improvements and betterments.
 - (2) If not repaired or replaced at the expense of **you** or the mortgagor within a reasonable time after loss, that proportion of the original cost at the time of installation of the damaged or destroyed **property** which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the periods from the date such improvements or betterments were made to the expiration of the lease.

Replacement cost means the cost, at the time of loss, to repair or replace the damaged **property**, using new material or property of like kind and quality.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

MORTGAGE SECURITY PROGRAM RESIDENTIAL COVERAGE DEFICIENCY ENDORSEMENT WASHINGTON

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The coverage provided by this endorsement and described below is included in all Mortgage Security Master Policies issued to Financial Institutions/Lenders domiciled in the state of Washington.

1. **Insured Property:**
Residential properties secured by first mortgages.
2. **Eligibility Guidelines:**
Eligibility includes any lender for whom **we** underwrite lender-placed insurance, financial institutions which include mortgage lenders, banks, savings institutions or any other type of company that services mortgage loans. It is not necessary for the financial institution to subscribe to **our** tracking services.
3. **Rates:**
There is no additional premium applicable to this endorsement for Financial Institutions/Lenders domiciled in the state of Washington.
4. **Definitions:**
Whenever used in this endorsement the following words or phrases will have the meanings as defined herein:
 - a. **You, your, yours** means the **named insured** shown on the Mortgage Security Master Policy Declarations.
 - b. **We, us, our, ours** means the Company shown on the Mortgage Security Master Policy Declarations.
 - c. **Borrower** means a person who has mortgaged real property to **you** or a party for which **you** are servicing a first mortgage and of which **you** have required proof of physical damage insurance covering the mortgaged property.
 - d. **Primary policy** means a policy of insurance provided by the **borrower** that protects **your** direct interest in a mortgaged property or **your** interest as a servicing agent as required by a mortgage or deed of trust.
 - e. **Unpaid balance** means the amount owed to **you** by the **borrower** on the date of actual damage to the property, less; unearned interest, any payments more than 90 days past due, and any unpaid past due charges or fees.
 - f. **Date of loss** means the actual date of the covered damage to the property insured under the **primary policy**.
 - g. **Maximum allowed deductible** means the maximum deductible **you** will allow for coverage provided under a **primary policy**.
 - h. **Declarations Page** means the first page of the Mortgage Security Master Policy which identifies **you, us**, the effective date, time and amount of coverage.
 - i. **Residential property** means a one to four family dwelling, excluding any condominium, upon which **you** have a direct interest as mortgagee or as a servicing agent.
 - j. **Condominium** means properties with a method of realty ownership in which there is a common ownership of certain portions of the premises such as condominiums, townhomes, rowhouses, commercial condominiums, cooperatives or PUDs where an association provides the **primary policy**.
5. **Coverage:**
Subject to all of the terms and conditions of this endorsement, **we** will pay **you** the difference between the amount of required coverage from a **primary policy** for physical loss of, or damage to, the mortgaged **residential property** on the **date of loss** less the **maximum allowed deductible**, and; the amount recovered by **you** from the **primary policy**. This coverage will apply only if the cause of such difference is one of the following:
 - a. The deductible on the **primary policy** exceeds \$1,000, in which case **we** will pay up to a maximum of \$4,000.
 - b. The financial failure of an insurance company providing a **primary policy** if such carrier has an AM Best Rating of B or worse on the effective date of the **primary policy** and if such failure results in **your** inability to collect on a covered physical damage loss to the mortgaged property from an insurance company or an applicable State Insurance Guarantee Association or State Insurance Guarantee Fund.
 - c. The acceptance by **you** of a **primary policy** which provides physical damage coverage in an amount that is less than the minimum required by **you** or **your** investor.
6. **Maximum Limit of Liability:**
 - a. The maximum limit of **our** liability to **you** for any one loss to property subject to any one mortgage owned or serviced by **you** will be \$100,000.
 - b. The maximum limit of **our** liability to **you** for all losses to all property subject to mortgages owned or serviced by **you** for any policy period will be \$500,000. A policy period is a period beginning on the effective date of this endorsement, or an anniversary of an effective date, and ending 12 months thereafter.

7. **Exclusions:**

We will not cover **you** for any loss that is:

- a. Caused by a peril not covered under the **primary policy**.
- b. Resulting from damage to property not covered under the **primary policy**.
- c. Denied for any reason by the insurance company that provides the **primary policy**.
- d. Resulting from, or is contributed to by, any fraudulent act or representation by **you** or **your** employee or anyone acting on **your** behalf.

8. **Conditions:**

Our liability under this endorsement shall not attach unless and until the following conditions have been met:

- a. A **primary policy** is in force on the **date of loss**.
- b. The **date of loss** is within the policy period as described in 6.b. above.
- c. **We**, or an entity approved by **us**, provided services for **you** to evaluate and accept **primary policies** from the **borrower** on the mortgage to which claim pertains.
- d. **You** have suffered an impairment of **your** interest, or an investor serviced by **you** has suffered an impairment of their interest, in the mortgage as a result of a covered loss.
- e. **You** have protected the damaged property from further damage upon taking control of such property.
- f. **You** have submitted a signed sworn proof of loss to **us** providing **us** the details of the loss, including the cause of loss, the **date of loss** and the necessary information to determine the amount of loss, within 60 days after **our** request. This will include, but not be limited to, copies of documents relating to the mortgage, its payment, claim(s) made under the **primary policy** and their proceeds.
- g. **You** have provided **us** prompt access to **your** records and books relating to the damaged property upon **our** request.

9. **Loss Settlement:**

We will pay **you** the amounts due under this endorsement within 30 days after **we** have received **your** signed proof of loss and reached an agreement with **you** as to the amount of loss. If **you** and **we** fail to agree on the amount of loss, either can demand that the amount of the loss be set by appraisal. Upon written demand, each party shall select a competent, independent appraiser and notify the other of the selected appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 20 days, **you** or **we** can ask a judge or a court of record in the state where the **property** is located to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers submit a written report of agreement to **us**, the amount agreed upon by the appraisers shall be the amount due under this endorsement, subject to the maximum limit of liability. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of the selected appraisers or umpire shall set the amount due under this endorsement, subject to the maximum limit of liability. Each party shall pay the appraiser they selected. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by **you** and **us**.

10. **Our Right to Recover from Others:**

We have the right to recover from anyone held responsible once **we** have made payment to **you** under the terms of this endorsement. **You** must not do anything to prejudice **our** rights to recovery and must assist **us** in any reasonable manner to make such recoveries. If **you** prejudice **our** rights to recover from another, or fail to provide reasonable assistance to **us**, **we** may reduce the amount of payment made to **you**, or demand repayment from **you**, in the amount sought from any responsible third party.

11. **Other Insurance:**

If there is any other insurance available on the **date of loss** which provides coverage to **you** for the loss, the coverage provided by this endorsement shall be excess over all other insurance and no payment will be made under the terms of this endorsement unless and until all other insurance has been exhausted.

12. **Territory:**

Coverage under this endorsement is limited to losses that occur to covered property that is located within the territorial boundaries of the United States of America or its territories or possessions.

13. **Changes:**

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this coverage nor shall it prevent **us** from asserting any right under the terms of this endorsement. The terms of this endorsement shall not be waived or changed except by written endorsement issued by **us**.

14. **Suit Against Us:**

No action may be brought against **us** unless there has been compliance with the provisions of this **policy** and the action is started within one year after the **date of loss**.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
WATER BACK-UP OF SEWERS AND DRAINS
WASHINGTON**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The coverage provided by this endorsement and described below is included in all Mortgage Security Master Policies issued to Financial Institutions/Lenders domiciled in the state of Washington. There is no additional premium applicable to this endorsement.

It is hereby understood and agreed that **we** agree to provide Water Back-Up of Sewers and Drains coverage for **property** insured under a Mortgage Security Master Policy.

1. The Mortgage Security Master Policy, Section II – Residential Property Coverage, Exclusions, Item 1.c.(2) is deleted. However, all other perils listed under Item 1.c. apply.
2. The Mortgage Security Master Policy, Section III – Commercial Property Coverage, Exclusions, Item 1.g.(3) is deleted. However, all other perils listed under Item 1.g. apply.

The maximum limit of liability under this endorsement for covered losses is \$25,000 per occurrence.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
WEST VIRGINIA AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 12. **Your duties and the mortgagor's duties after loss**, Items 12.a. and 12.e. are amended as follows:

12. **Your duties and the mortgagor's duties after loss:** In case of a loss to which this insurance may apply, **our** liability for the payment of any loss is conditioned upon the performance by **you** or the mortgagor of the following duties:
- a. Provide **us** written notice within a reasonable amount of time;
 - e. Send to **us** within a reasonable amount of time after the date of loss the list described in 12(d), a proof of loss signed and sworn to by **you** and the mortgagor, including:

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal** is deleted and replaced with the following:

13. **Appraisal:** If **you** and **we** fail to agree on the amount of loss, either can demand that the amount of the loss be set by appraisal. Upon written demand, each party shall select a competent, independent appraiser and notify the other of the selected appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge or a court of record in the state where the **property** is located to select an umpire. The appraisers shall state separately the value of the **property** and the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of the selected appraisers or umpire shall be binding. Each party shall pay the appraiser they selected. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by **you** and **us**. **We** shall retain **our** right to deny the claim if there is an appraisal.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 16. **Loss payment**, Items 16.b. and 16.e. are amended as follows:

16. **Loss payment:**
- b. **We** will give notice of **our** intentions within 15 working days after **we** receive the sworn statement of loss.
 - e. **We** will pay for covered loss or damage within 15 working days after **we** receive the sworn statement of loss, if:

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
 - (2) If this **policy** has been in effect for less than 60 days and it is not a renewal with **us**, **we** may cancel this **policy** by mailing or delivering written notice of cancellation to the first **named insured** at the last mailing address known to **us**, at least 10 days before the effective date of cancellation.
 - (3) When **you** have not paid the premium, **we** may cancel this **policy** at any time by mailing or delivering written notice of cancellation to the first **named insured** at the last mailing address known to **us**, at least 10 days before the effective date of cancellation.
 - (4) If this **policy** has been in effect for 60 days or more or at any time if it is a renewal with **us**, **we** may cancel this **policy** for one or more of the following reasons by mailing or delivering written notice of cancellation to the first **named insured** at the last mailing address known to **us**, at least 10 days before the effective date of cancellation:
 - (a) The conviction of the first **named insured** of any crime having as one of its necessary elements an act increasing any hazard insured against;
 - (b) Discovery of fraud or material misrepresentation made by or with the knowledge of the first **named insured** in obtaining, continuing, or in presenting a claim under the **policy**;

- (c) Discovery of willful or reckless acts or omissions on the part of the first **named insured** which increase any hazard insured against;
 - (d) The occurrence of a change in the risk which substantially increases any hazard insured against after this coverage has been issued or renewed;
 - (e) A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any **insured property**, or the occupancy thereof, which substantially increases any hazard insured against;
 - (f) A determination by the commissioner that the continuation of the **policy** would place **us** in violation of the insurance laws of this state;
 - (g) Real property taxes owing on the **insured property** have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued;
 - (h) **We** cease to write the particular type of insurance coverage contained in the **policy** throughout the state or discontinue operations within the state;
 - (i) A substantial breach of the provisions of the **policy**; or
 - (j) If two or more claims have been paid under the **policy** within a period of 36 months.
- (5) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (6) Other termination provisions:
- (a) Notice of cancellation will state the reason(s) for cancellation.
 - (b) Notice of cancellation will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) **We** will maintain a post-office certificate of mailing for all notices sent.
27. b. **Cancellation – Mortgagor's Notice of Insurance:**
- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
 - (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and it is not a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering written notice of cancellation to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, at least 10 days before the effective date of cancellation.
 - (3) When the premium has not been paid, **we** may cancel this **Mortgagor's Notice of Insurance** at any time by mailing or delivering written notice of cancellation to the first **named insured** and the mortgagor at the last mailing address known to **us**, at least 10 days before the effective date of cancellation.
 - (4) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more or at any time if it is a renewal with **us**, **we** may cancel this **Mortgagor's Notice of Insurance** for one or more of the following reasons by mailing or delivering written notice of cancellation to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, at least 10 days before the effective date of cancellation:
 - (a) The conviction of the first **named insured** or mortgagor of any crime having as one of its necessary elements an act increasing any hazard insured against;
 - (b) Discovery of fraud or material misrepresentation made by or with the knowledge of the first **named insured** or mortgagor in obtaining, continuing, or in presenting a claim under the **policy** or this **Mortgagor's Notice of Insurance**;
 - (c) Discovery of willful or reckless acts or omissions on the part of the first **named insured** or mortgagor which increase any hazard insured against;
 - (d) The occurrence of a change in the risk which substantially increases any hazard insured against after this coverage has been issued or renewed;
 - (e) A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any **insured property**, or the occupancy thereof, which substantially increases any hazard insured against;
 - (f) A determination by the commissioner that the continuation of the **policy** or this **Mortgagor's Notice of Insurance** would place **us** in violation of the insurance laws of this state;
 - (g) Real property taxes owing on the **insured property** have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued;
 - (h) **We** cease to write the particular type of insurance coverage contained in the **policy** or this **Mortgagor's Notice of Insurance** throughout the state or discontinue operations within the state;
 - (i) A substantial breach of the provisions of the **policy** or this **Mortgagor's Notice of Insurance**; or
 - (j) If two or more claims have been paid under the **policy** or this **Mortgagor's Notice of Insurance** within a period of 36 months.

- (5) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for cancellation.
 - (b) Notice of cancellation will state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) **We** will maintain a post-office certificate of mailing for all notices sent.
 - (d) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

- (1) **We** may elect not to renew this **policy** and/or **Mortgagor's Notice of Insurance** by mailing or delivering written notice of nonrenewal to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at the last mailing addresses known to **us**, at least 30 days before the nonrenewal effective date.
- (2) If this **policy** and/or **Mortgagor's Notice of Insurance** have been in force for four years or more, **we** may elect not to renew only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) The conviction of the first **named insured** or mortgagor of any crime having as one of its necessary elements an act increasing any hazard insured against;
 - (c) Discovery of fraud or material misrepresentation made by or with the knowledge of the first **named insured** or mortgagor in obtaining, continuing, or in presenting a claim under the **policy** and/or **Mortgagor's Notice of Insurance**;
 - (d) Discovery of willful or reckless acts or omissions on the part of the first **named insured** or mortgagor which increase any hazard insured against;
 - (e) The occurrence of a change in the risk which substantially increases any hazard insured against after this coverage has been issued or renewed;
 - (f) A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any **insured property**, or the occupancy thereof, which substantially increases any hazard insured against;
 - (g) A determination by the commissioner that the continuation of the **policy** and/or **Mortgagor's Notice of Insurance** would place **us** in violation of the insurance laws of this state;
 - (h) Real property taxes owing on the **insured property** have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued;
 - (i) **We** cease to write the particular type of insurance coverage contained in the **policy** and/or **Mortgagor's Notice of Insurance** throughout the state or discontinue operations within the state;
 - (j) A substantial breach of the provisions of the **policy** and/or **Mortgagor's Notice of Insurance**;
 - (k) If two or more claims have been paid under the **policy** and/or **Mortgagor's Notice of Insurance** within a period of 36 months; or
 - (l) Other valid underwriting reasons which involve a substantial increase in the risk.
- (3) Other nonrenewal provisions:
 - (a) Notice of nonrenewal will state the specific reason(s) for nonrenewal.
 - (b) Notice of nonrenewal shall advise **you** of **your** rights to a hearing and review by the Insurance Commissioner and will include information regarding coverage through the West Virginia Essential Property Insurance Association or "Fair Plan."
 - (c) **We** will maintain a post-office certificate of mailing for all notices sent.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

**MORTGAGE SECURITY PROGRAM
WISCONSIN AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
- (2) If this **policy** has been in effect for less than 60 days and is not a renewal with **us**, or if at any time if **you** have not paid the premium, **we** may cancel this **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the cancellation date.
- (3) If this **policy** has been in effect for 60 days or more or if it is a renewal with **us**, **we** may cancel this **policy** for one or more of the following reasons only:
 - (a) Nonpayment of premium;
 - (b) Material misrepresentation;
 - (c) A substantial change in the risk assumed, except to the extent that **we** should reasonably have foreseen the change or contemplated the risk in writing the contract; or
 - (d) A substantial breach of contractual duties, conditions or warranties.**We** will mail or deliver to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the cancellation date.
- (4) Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for cancellation.
 - (b) Notice of cancellation will state the effective date of cancellation; the **policy** period will end on that date.
 - (c) A copy of the notice of cancellation will be mailed or delivered to a mortgagor, pledgee or other person shown in this **policy** to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in any **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If a **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and is not a renewal with **us**, or if at any time if **you** have not paid the premium, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the cancellation date.
- (3) If a **Mortgagor's Notice of Insurance** has been in effect for 60 days or more or if it is a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** for one or more of the following reasons only:
 - (a) Nonpayment of premium;
 - (b) Material misrepresentation;
 - (c) A substantial change in the risk assumed, except to the extent that **we** should reasonably have foreseen the change or contemplated the risk in writing the contract; or
 - (d) A substantial breach of contractual duties, conditions or warranties.**We** will mail or deliver to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the cancellation date.

- (4) Other termination provisions:
 - (a) Notice of cancellation will state the reason(s) for cancellation.
 - (b) Notice of cancellation will state the effective date of cancellation; the coverage on any **property** described in a **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice of cancellation shall be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (e) The Company shall have no further liability under any **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:**

- (1) If **we** elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance**, **we** will mail or deliver to the first **named insured** and/or mortgagor at the last mailing addresses known to **us**, written notice of nonrenewal at least 60 days before:
 - (a) The expiration of the **policy** and/or **Mortgagor's Notice of Insurance**; or
 - (b) The anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term greater than one year.
- (2) Other nonrenewal provisions:
 - (a) Notice shall include the effective date and reason(s) for nonrenewal.
 - (b) A copy of the notice of nonrenewal will be mailed or delivered to any mortgagor, pledgee or other person shown in this **policy** and/or any **Mortgagor's Notice of Insurance** to have an interest in any loss which may occur.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice.

b. **Renewal with changes:**

- (1) If **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** and the renewal includes less favorable terms or an increase in premium of 25% or more not caused by an action of the **named insured** that alters the nature or extent of the risk insured against, **we** will mail or deliver written notice of such changes to the first **named insured** and/or the mortgagor at the last mailing addresses known to **us** at least 60 days before the:
 - (a) The expiration date of the **policy** and/or **Mortgagor's Notice of Insurance**.
 - (b) The anniversary date of the **policy** and/or **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- (2) If **you** choose to accept the renewal, any premium increase and/or other changes shall become effective the day following the expiration date of the current **policy**.
- (3) If **we** fail to provide the required notice as stated above, the current **policy** will remain in effect until:
 - (a) 60 days after **we** have provided the required notice; or
 - (b) The effective date of any replacement coverage that is obtained by the **named insured**, whichever first occurs.
- (4) Other renewal provisions:
 - (a) If **you** choose not to accept the renewal offer, any earned premium for the extended period of coverage shall be calculated proportionately on the basis of the premium of the prior **policy** term.
 - (b) A copy of the notice of renewal will be mailed or delivered to a mortgagor, pledgee or other person shown in this **policy** to have an interest in any loss which may occur.
 - (c) If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

MORTGAGE SECURITY PROGRAM WYOMING AMENDATORY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 13. **Appraisal** is deleted and replaced with the following:

13. **Appraisal:** If **you** and **we** fail to agree on the amount of loss, either can make a written request for an appraisal of the loss. However, an appraisal will be made only if both **you** and **we** agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either **you** or **we** may request a judge of a court having jurisdiction select an umpire. The appraisers shall state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision by any two shall determine the amount of loss. The decision shall not be binding unless **you** and **we** agree, voluntarily, by separate agreement to be bound by the decision. Each party shall pay the appraiser they selected. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by **you** and **us**.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 15. **Legal action against us** is deleted and replaced with the following:

15. **Legal action against us:** **You** may not bring legal action against **us** to recover money under this **policy** or any **Mortgagor's Notice of Insurance** unless:
- You** have complied with all the terms of this **policy**; and
 - The action is brought within 48 months (4 years) from the date of discovery.
- This provision applies to any claim and to any dispute **you** may have arising out of the handling of any claim under this **policy** and/or any **Mortgagor's Notice of Insurance**.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 27.a. **Cancellation – Mortgage Security Master Policy** and 27.b. **Cancellation – Mortgagor's Notice of Insurance** are deleted and replaced with the following:

27. a. **Cancellation – Mortgage Security Master Policy:**
- The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel this **policy** by mailing or delivering to **us** advance written notice of cancellation.
 - If this **policy** has been in effect for less than 60 days and it is not a renewal with **us**, or at any time if **you** fail to pay the premium when due, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
 - If this **policy** has been in effect for 60 days or more or if it is a renewal with **us**, **we** may cancel the **policy** by mailing or delivering to the first **named insured** at the last mailing address known to **us**, written notice of cancellation at least:
 - 10 days before the effective date of cancellation if **we** cancel because **you** failed to pay the premium when due;
 - 45 days before the effective date of cancellation if **we** cancel for any one or more of the following reasons:
 - Material misrepresentation of fact which if know to **us** would have caused **us** not to issue the **policy**.
 - Substantial change in the risk assumed, except to the extent that **we** should reasonably have foreseen the change or contemplated the risk in writing this **policy**; or
 - Substantial breaches of contractual duties, conditions or warranties.
 - Cancellation of this **policy** by either **you** or **us** will not affect any **Mortgagor's Notice of Insurance** issued prior to cancellation of the **policy** and for which a premium has been paid. All **Notices** in effect at the time of the cancellation of the **policy** will continue in force until their expiration, unless canceled as provided for in the provision titled **Cancellation – Mortgagor's Notice of Insurance**.
 - Other termination provisions:
 - Notice will state the reason(s) for cancellation.
 - Notice will state the effective date of cancellation; the **policy** period will end on that date.
 - A copy of the notice will be mailed or delivered to a mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - If notice is mailed, it shall be deemed given when deposited in the United States mail, postage prepaid. Proof of mailing will be sufficient proof of notice.

b. **Cancellation – Mortgagor's Notice of Insurance:**

- (1) The first **named insured** shown in the Mortgage Security Master Policy Declarations may cancel coverage for the **property** described in a **Mortgagor's Notice of Insurance** by mailing or delivering to **us** advance written notice of cancellation, but not prior to the effective date of mortgagor provided insurance which meets the requirements of **your** loan agreement, and no more than 60 days prior to the date of notification to **us**, without approval of the company.
- (2) If this **Mortgagor's Notice of Insurance** has been in effect for less than 60 days and it is not a renewal with **us**, or at any time if **you** fail to pay the premium when due, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least 10 days before the effective date of cancellation.
- (3) If this **Mortgagor's Notice of Insurance** has been in effect for 60 days or more or if it is a renewal with **us**, **we** may cancel the **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured** and the mortgagor at the last mailing addresses known to **us**, written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if **we** cancel because **you** failed to pay the premium when due;
 - (b) 45 days before the effective date of cancellation if **we** cancel for any one or more of the following reasons:
 - (i) Material misrepresentation of fact which if know to **us** would have caused **us** not to issue the **Mortgagor's Notice of Insurance**;
 - (ii) Substantial change in the risk assumed, except to the extent that **we** should reasonably have foreseen the change or contemplated the risk in writing this **Mortgagor's Notice of Insurance**; or
 - (iii) Substantial breaches of contractual duties, conditions or warranties.
- (4) A **Mortgagor's Notice of Insurance** shall automatically be cancelled, and any coverage therein will automatically terminate upon:
 - (a) The effective date of other specific property insurance coverage secured by the mortgagor which shows **you** as mortgagee, with appropriate documentation of such other coverage;
 - (b) The date when payment is made in full of the mortgage on the **property** which established **your** interest;
 - (c) The date of a foreclosure sale, deed in lieu of foreclosure, conveyance or transfer of title to **insured property** as described on a **Mortgagor's Notice of Insurance**; or
 - (d) The date following the date of loss for any total loss to **insured property** as described on a **Mortgagor's Notice of Insurance**.
- (5) Other termination provisions:
 - (a) Notice will state the reason(s) for cancellation.
 - (b) Notice will state the effective date of cancellation; coverage on **property** described in the **Mortgagor's Notice of Insurance** will end on that date.
 - (c) A copy of the notice will be mailed or delivered to any mortgagor, pledgee or other person shown to have an interest in any loss which may occur.
 - (d) If notice is mailed, it shall be deemed given when deposited in the United States mail, postage prepaid. Proof of mailing will be sufficient proof of notice.
 - (e) The Company shall have no further liability under the **Mortgagor's Notice of Insurance** for losses sustained on or after the effective date of cancellation.

The Mortgage Security Master Policy, General Provisions – Applicable to Sections II and III, Item 28. **Nonrenewal** is deleted and replaced with the following:

28. a. **Nonrenewal:** **We** may elect not to renew this **policy** and/or any **Mortgagor's Notice of Insurance** by mailing or delivering to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of nonrenewal. Notice will state the reason(s) for nonrenewal. If notice is mailed, it shall be deemed given when deposited in the United States mail, postage prepaid. Proof of mailing will be sufficient proof of notice.
We will mail or deliver notice at least 45 days before the:
- (1) Expiration of the **policy** and/or any **Mortgagor's Notice of Insurance**; or
 - (2) Anniversary date of the **policy** and/or any **Mortgagor's Notice of Insurance**, if either had been written for a term of more than one year.
- b. **Renewal with changes:** Should **we** elect to renew this **policy** and/or any **Mortgagor's Notice of Insurance** and the renewal includes less favorable terms or an increase in premium, **we** will mail or deliver to the first **named insured**, the first **named insured's** agent or broker and/or the mortgagor at their last mailing addresses known to **us**, written notice of renewal at least 45 days before the renewal **policy** effective date. Notice will include the current and renewal **policy** premium. If notice is mailed, it shall be deemed given when deposited in the United States mail, postage prepaid. Proof of mailing will be sufficient proof of notice.

ALL OTHER PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102 (1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been 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. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017, 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceeds \$100 billion, your coverage may be reduced.

In accordance with the Act, we are providing you with this disclosure notice. The portion of your premium attributable to coverage for certified acts of terrorism under your policy is **\$0.00** and does not include any charges for the portion of losses covered by the United States Government under the Act.

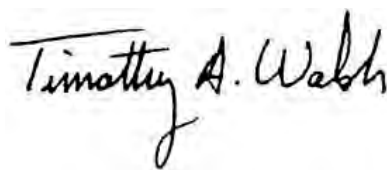
AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

Credit Insurance Division
1949 East Sunshine St.
Springfield, MO 65899-0001

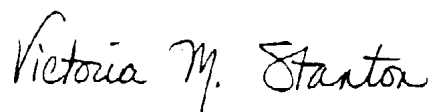
MORTGAGE SECURITY PROGRAM
MORTGAGE SECURITY MASTER POLICY
POLICY EXECUTION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Company has caused this policy to be signed by the President and Secretary.

Handwritten signature of Timothy A. Webb in black ink.

President

Handwritten signature of Victoria M. Stanton in black ink.

Secretary