

**AMERICAN RELIABLE INSURANCE COMPANY  
MOBILE HOME REPLACEMENT COST PROTECTION  
SPECIAL MOBILE HOMEOWNERS PROGRAM  
STATE OF CALIFORNIA**

For an additional premium, your policy is changed to provide the following:

Coverage for loss to your Mobile Home and Unattached Adjacent Structures at replacement cost without deduction for depreciation, subject to the following:

1. If at the time of loss, the amount of insurance in this policy on the damaged Mobile Home and Unattached Adjacent Structures is 80% or more of the full replacement cost of the Mobile Home and Unattached Adjacent Structures immediately prior to the loss, we will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the smallest of the following amounts:
  - (a) The limit of liability shown on the declaration page applicable to the damaged or destroyed Mobile Home or Unattached Adjacent Structures.
  - (b) The replacement cost of the Mobile Home, or Unattached Adjacent Structures, or any part thereof, with a new Mobile Home of like kind and quality of such Mobile Home or Unattached Adjacent Structures and intended for the same occupancy and use.
  - (c) The amount actually and necessarily expended in repairing or replacing the same Mobile Home or Unattached Adjacent Structures intended for the same occupancy and use.
2. If at the time of loss the amount of insurance in this policy on the damaged Mobile Home and Unattached Adjacent Structures is less than 80% of the full replacement cost of the Mobile Home and Unattached Adjacent Structures immediately prior to the loss, we will pay the larger of the following amounts, but not exceeding the limit of liability under this policy applying to the Mobile Home or Unattached Adjacent Structures.
  - (a) the actual cash value of that part of the Mobile Home and Unattached Adjacent Structures damaged; or
  - (b) that proportion of the cost to repair or replace, without deduction for depreciation, of that part of the Mobile Home and Unattached Adjacent Structures damaged, which the total amount of insurance in this policy on the damaged Mobile Home and Unattached Adjacent Structures bears to 80% of the replacement cost of the Mobile Home and Unattached Adjacent Structures.
3. In determining the amount of insurance required to equal 80% of the full replacement cost of the Mobile Home and Unattached Adjacent Structures immediately prior to the loss, you shall disregard the value of excavations, foundations, piers and other supports which are below the undersurface of the lowest basement floor or, where there is no basement, which are below the surface of the ground inside the foundation walls, and underground flues, pipes, wiring and drains.
4. When the full cost of repair or replacement is more than \$1,000 or more than 5% of the whole amount of insurance applicable to said Mobile Home or Unattached Adjacent Structures for the peril causing the loss, we shall not be liable for more than the actual cash value of the damaged property unless and until actual repair or replacement is completed.
5. You may elect to disregard this condition in making claim hereunder, but such election shall not prejudice your right to make further claim within 24 months after the first payment toward the actual cash value is made.
6. Inflation Guard Coverage. The limit of liability shown for Mobile Home and Unattached Adjacent Structures will be increased automatically by 3% at the end of each 12 month period after the inception or "from" date shown on the Declaration Page. The coverage amount will be rounded to the nearest \$1,000.

Under "OUR PAYMENT METHODS FOR SPECIFIC TYPES OF LOSSES", "Hail" is deleted and replaced with the following:

Settlement of Hail Losses. Subject to the conditions of item 1b., the amount we will pay for loss to your Mobile Home or Unattached Adjacent Structures due to hail depends on the type of damage the hail causes, as stated below:

- (1) **STRUCTURAL LOSS:** Hail can cause structural damage, which is the actual penetration of the exterior surface or the cracking or breaking of support materials. When this type of loss or damage occurs, the amount we pay will be the lowest of:
  - The cost of repairing or replacing the damaged portion of the property; or
  - The amount of insurance shown on the Declaration Page.
- (2) **NON STRUCTURAL LOSS:** Hail often dents the exterior surface of a home. Since there is no structural damage, this will in no way affect the utility of the home. When this type of loss or damage occurs, the amount we pay will be the lowest of:
  - The cost of repairing or replacing the damaged portion of the property; or
  - Two percent (2%) of the amount of insurance shown on the Declaration Page.The damage to your property will reduce the amount of insurance available by the amount of the damage. Your coverage will return to the amount of insurance shown on the Declaration Page upon completion of the repairs or replacements.

All other terms and conditions of this policy remain as stated.