

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part is replaced by the term Policy.
- B.** When Causes Of Loss – Special Form is attached to this policy, **Exclusion 2.h.** of that form is replaced by the following:
- h.** Dishonest or criminal act (including theft) by a "perpetrator", or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.
- This exclusion:
- (1)** Applies whether or not an act occurs during your normal hours of operation;
- (2)** Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:
- (1)** Admits, under oath; or
- (2)** Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.
- C.** Paragraphs **1., 2., 3.** and **5.** of the **Cancellation** Common Policy Condition are replaced by the following:
1. The first Named Insured shown in the Declarations may cancel this policy by giving us or our authorized agent notice of cancellation.
  2. We may cancel this policy by mailing or delivering to the first Named Insured, with postage fully prepaid, 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. We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.
  5. If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

D. The following is added to the:

1. **Loss Payment** Condition; and
2. **Mortgageholders** Condition:

If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, a part of our payment for fire, explosion, vandalism, windstorm or hail, or riot or civil commotion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the provisions of the Act. The withheld amount will be paid either to:

- (a) The municipality;
- (b) You and the mortgageholder, if any; or
- (c) With your consent, the licensed contractor hired by you to perform repair, replacement, or removal services on the lost or damaged real property;

according to the provisions of Public Act 217. We will notify you, any mortgageholder and the municipality of any loss subject to the provisions of Public Act 217.

If a municipality has elected to apply the provisions of MICH. COMP. LAWS § 500.3011, any further payment for claims for loss or damage to your covered property caused by fire or explosion of \$2,000 or more will be withheld if you have failed to submit a required report to the fire or law enforcement authority designated by the municipality.

E. The paragraph relating to prejudgment interest in Supplementary Payments in:

1. Legal Liability Coverage Form **CP 00 40**; and
2. Mortgageholders Errors And Omissions Coverage Form **CP 00 70**;

is replaced by the following:

Prejudgment interest awarded against the insured on the part of the judgment we pay.

F. **Commercial Property Coverage Part – Duties Amended**

1. The following, **F.2.** through **F.4.**, apply to the:
  - a. Mortgageholders Errors And Omissions Coverage Form – Condition **F.4.c.(2)** – Duties In The Event Of Loss – Coverages **C** and **D**; and
  - b. Legal Liability Coverage Form – Condition **D.1.** – Duties In The Event Of Accident, Claim Or Suit.

2. Paragraph **F.4.c.(2)(a)** in the Mortgageholders Errors And Omissions Coverage Form and Paragraph **D.1.b.** in the Legal Liability Coverage Form are replaced by the following:

If a claim is made or "suit" is brought against you, you must see to it that we receive prompt notice of the claim or "suit".

3. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

4. Failure to:

- a. Give us prompt notice of an accident, claim or "suit"; or
- b. Immediately send us copies of demands, notices, summonses or legal papers received in connection with a claim or "suit";

shall not invalidate a claim made by you if it shall be shown that it was not reasonably possible to give us prompt notice or to immediately send us copies, and that you gave us notice and sent us copies as soon as was reasonably possible.

G. The following is added to the **Legal Action Against Us** Commercial Property Condition:

The time for commencing an action against us is tolled from the time you notify us of the loss or damage until we formally deny liability for the claim.

H. Except as provided in Paragraph **I.** of this endorsement, the **Appraisal** Loss Condition is replaced by the following:

#### **Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and independent appraiser within 20 days after receiving a written request from the other. The two appraisers will select a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, either may request that selection be made by a judge of the circuit court for the county in which the loss occurred or in which the property is located. 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 set the amount of loss. Each party will:

- a. Pay its chosen appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**I. The Appraisal Loss Condition in:**

- 1. Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
- 2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**;

is replaced by the following:

**Appraisal**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and independent appraiser. The two appraisers will select a competent and impartial umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or 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 will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**J. When Causes Of Loss – Special Form is attached to this policy, the following definition is added to Paragraph G. Definitions of that form:**

**3. "Perpetrator" means:**

- a. You; or
- b. Any of your partners, members, officers, managers, employees (including temporary employees or leased workers), directors, trustees or authorized representatives;

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.