

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS CONDITIONS – APPRAISAL AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
 DIFFERENCE IN CONDITIONS COVERAGE FORM

- A.** When attached to the Building And Personal Property Coverage Form, CP 0010; the Condominium Association Coverage Form, CP 0017, the Condominium Commercial Unit-Owners Coverage Form, CP 0018 or the Difference In Conditions Coverage Form, DIC 0010:

Paragraph **2. Appraisal** of **E. Loss Conditions** is deleted in its entirety and replaced with the following:

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. Appraisal is mandatory if invoked by either party. In this event, each party will select a qualified, impartial appraiser. The two appraisers will select a qualified, impartial umpire. If the appraisers cannot agree on the umpire, either you or we may request, after reasonable written notice to the other, that the selection be made by a court having jurisdiction. We and you will cooperate with the appraisers and umpire to provide information and access to the property to appraise the loss. If the appraisers agree, they shall issue a detailed appraisal decision which will be binding on you and us. If the appraisers fail to agree, they will submit their differences to the umpire. The umpire shall consider the submissions, independently appraise the loss, and issue a detailed appraisal decision that will be binding on you and us. Each party will:

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

In this section, impartial appraiser and impartial umpire shall mean a person who is not a current employee of either party and whose compensation from any source is not affected by the amount of the award or the insured's recovery on the claim.

In this section, detailed appraisal decision shall mean a written appraisal which provides line-item descriptions and amounts for any category of damage or expense requested by you or us, in writing, within thirty (30) days of the initial request for appraisal. The requests for particular line-items may include, but are not limited to, the value of the property, the cost of repair or replacement of any particular component of the property, the cost attributable to code upgrades, the cause(s) of the damage appraised, and the dates that any particular damage occurred or manifested. However, the requests may not, and the appraisal shall not, address which categories of the award, if any, are covered by this policy. The parties retain the right to have a court of competent jurisdiction determine which elements of the appraisal, if any, are covered under this policy based on the facts determined by the appraisal, the policy and applicable law. They also retain the right to have the court determine the cause(s) of the damage appraised, if there is any post-appraisal disagreement concerning causation. The request for a particular line-item shall not be deemed an admission by either party that such category is covered or not covered by this policy.

In the event the appraisal panel cannot determine a line-item requested by you or us, that inability and the reason shall be indicated on the detailed appraisal decision. To the extent that any questions of coverage or causation require determination of any fact not established by the detailed appraisal decision, the parties may offer evidence relevant to that fact in litigating the issues of coverage or causation.

- B.** When attached to the Business Income (And Extra Expense) Coverage Form, CP 0030 or the Business Income (And Extra Expense) Coverage Form, DIC 0031:

Paragraph 1. **Appraisal of C. Loss Conditions** is deleted in its entirety and replaced with the following:

1. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. Appraisal is mandatory if invoked by either party. In this event, each party will select a qualified, impartial appraiser. The two appraisers will select a qualified, impartial umpire. If the appraisers cannot agree on the umpire, either you or we may request, after reasonable written notice to the other, that the selection be made by a court having jurisdiction. We and you will cooperate with the appraisers and umpire to provide information and access to the property to appraise the loss. If the appraisers agree, they shall issue a detailed appraisal decision which will be binding on you and us. If the appraisers fail to agree, they will submit their differences to the umpire. The umpire shall consider the submissions, independently appraise the loss, and issue a detailed appraisal decision that will be binding on you and us. Each party will:

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

In this section, impartial appraiser and impartial umpire shall mean a person who is not a current employee of either party and whose compensation from any source is not affected by the amount of the award or the insured's recovery on the claim.

In this section, detailed appraisal decision shall mean a written appraisal which provides line-item descriptions and amounts for any category of damage or expense requested by you or us, in writing, within thirty (30) days of the initial request for appraisal. The requests for particular line-items may include, but are not limited to, the value of the property, the cost of repair or replacement of any particular component of the property, the cost attributable to code upgrades, the cause(s) of the damage appraised, and the dates that any particular damage occurred or manifested. However, the requests may not, and the appraisal shall not, address which categories of the award, if any, are covered by this policy. The parties retain the right to have a court of competent jurisdiction determine which elements of the appraisal, if any, are covered under this policy based on the facts determined by the appraisal, the policy and applicable law. They also retain the right to have the court determine the cause(s) of the damage appraised, if there is any post-appraisal disagreement concerning causation. The request for a particular line-item shall not be deemed an admission by either party that such category is covered or not covered by this policy.

In the event the appraisal panel cannot determine a line-item requested by you or us, that inability and the reason shall be indicated on the detailed appraisal decision. To the extent that any questions of coverage or causation require determination of any fact not established by the detailed appraisal decision, the parties may offer evidence relevant to that fact in litigating the issues of coverage or causation.

All other terms and conditions of this policy remain unchanged.