

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

## **AMENDATORY ENDORSEMENT – LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the following:

**BOAT DEALER COVERAGE  
PIERS AND WHARVES COVERAGE**

### **SCHEDULE**

Property Covered	Name and Address of Loss Payee

The following paragraphs are added to **the loss conditions of the Policy.**

**(1) Loss Payable Clause**

For Property Covered in which both the insured and a Loss Payee shown in the Schedule above have an insurable interest, The Company will:

- (a) Adjust losses with the insured; and
- (b) Pay any claim for loss or damage jointly to the insured and the Loss Payee as their interests may appear.

**(2) Lender's Loss Payable Clause**

(a) If the Loss Payee shown in the Schedule is a creditor, including a mortgageholder or trustee, whose interest in the Property Covered is established by such written instruments as:

- (i) Warehouse receipts;
- (ii) A contract for deed;
- (iii) Bills of lading;
- (iv) Financing statements; or
- (v) Mortgages, deeds or trust or security agreements;

then for Property Covered in which both the insured and a Loss Payee have an insurable interest the Company will pay for covered loss or damage to each Loss Payee in their order of precedence, as their interests may appear.

- (b) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Property Covered.
- (c) If the Company denies the insured's claim because of the insured's acts or because the insured has failed to comply with the terms of this Coverage Form, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
  - (i) Pays any premium due under this Coverage Form at the Company's request, if the insured has failed to do so;
  - (ii) Submits a signed, sworn proof of loss within 60 days after receiving notice from the Company of the insured's failure to do so; and
  - (iii) Has notified the Company of any change in ownership, occupancy, use, or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Form will then apply directly to the Loss Payee.

(d) If the Company pays the Loss Payee for any loss or damage and deny payment to the insured because of the insured's acts or because the insured has failed to comply with the terms of this Coverage Form:

(i) The Loss Payee's rights will be transferred to the Company to the extent of the amount the Company pays; and

(ii) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At the Company's option, The Company may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, the insured will pay the insured's remaining debt to The Company.

However, if the Property Covered is intentionally damaged, destroyed or concealed by an insured, the Loss Payee, or anyone acting on behalf of the insured or the Loss Payee, then no coverage will be provided to the Loss Payee.

(e) If the Company cancels this policy, The Company will give written notice to the Loss Payee at least:

(i) 10 days before the effective date of cancellation if The Company cancels for the insured's nonpayment of premium or

(ii) 30 days before the effective date of cancellation if The Company cancels for any other reason.

(f) If the Company elects not to renew this policy, The Company will give written notice to the Loss Payee at least 10 days before the expiration of date of this policy.

All other terms and conditions of this policy remain unchanged.