

POLICY CONDITIONS

1. **Abandonment of Property** -- "You" may not abandon the property to "us" unless "we" agree.
2. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss, the actual cash value of the property or the cost to repair or replace the property, either party may demand that these amounts be determined by appraisal.

If either party makes a written demand for appraisal, each will select a competent independent appraiser and notify the other of the appraiser's identity within 20 days after the receipt of the written demand. The two appraisers will 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.

For each building item and each item of personal property, the appraisers will determine:

- a. the amount of the loss;
- b. the actual cash value of the property; and
- c. the cost to repair or replace the property.

Each amount will be stated separately.

If the appraisers submit a written report of an agreement to "us", the agreement will establish these amounts. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. A written agreement by two of these three will establish the amounts stated above.

Each appraiser will be paid by the party selecting that appraiser. The compensation of the umpire and other costs of the appraisal will be shared equally by "you" and "us."

If "we" make the written demand for an appraisal, "we" will pay:

- a. the reasonable and necessary cost for "your" appraiser; and
- b. "your" share of the cost for the umpire.

3. **Assignment** -- This policy may not be assigned without "our" written consent.
4. **Cancellation and Nonrenewal** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy by written notice to "you" at the address shown on the "declarations". Proof of delivery or mailing is sufficient proof of notice.

During the first 60 days this policy is in effect, "we" may cancel for any reason.

After this policy has been in effect 60 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel or not renew only at the anniversary date unless:

- a. the premium has not been paid when due;
- b. the policy was obtained through fraud, material misrepresentation or omission of fact, which if known by "us", would have caused "us" not to issue the policy; or
- c. there has been a material change or increase in hazard of the risk.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before cancellation is effective. Otherwise, "we" will give "you" notice at least 30 days in advance of cancellation or nonrenewal.

"Your" return premium, if any, will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.

5. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid. If, in the policy period, "we" adopt a revision which broadens coverage without an additional premium, the broadened coverage will apply.

"Our" request for an appraisal or examination under oath does not waive policy "terms".

If this policy has no expiration date, "we" may substitute or "we" may add, at each anniversary date, forms that are then authorized for use.

6. **Conformity With Statute** -- "Terms" in conflict with the laws of the state where the "insured premises" is located are changed to conform to such laws.
7. **Death** -- On "your" death, protection on "your" covered property passes to:
- "your" legal representative; or
 - any other persons having proper, temporary custody of covered property.
8. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.
9. **Inspection** -- "We" may, but are not required to, inspect "your" property and operations. "Our" inspection or resulting advice or report does not warrant that "your" property or operations are safe or healthful or comply with laws, rules, or regulations.

10. **Misrepresentation, Concealment, or Fraud** -- This coverage is void as to "you" and any other "insured" if before or after a loss:

- "you" or any "insured" has willfully concealed or misrepresented:
 - a material fact or circumstance that relates to this insurance or the subject thereof; or
 - the "insured's" interest herein;
- there has been fraud or false swearing by "you" or any other "insured" with regard to a matter that relates to this insurance or the subject thereof.

11. **No Benefit To Bailee** -- Coverage under this policy will not directly or indirectly benefit those who are paid to assume custody of the covered property.

12. **Policy Period** -- This policy only covers losses that occur during the policy period.

13. **Recoveries** -- This applies if "we" pay for a loss and lost or damaged property is recovered, or payment is made by those responsible for the loss.

- "You" must inform "us" or "we" must inform "you" if either recovers property or receives payment.
- Proper costs incurred by either party are paid first.
- "You" may keep the property. The amount of the claim paid or a lesser amount to which "we" agree, must be returned to "us."
- If the claim paid is less than the agreed loss due to a deductible, or other limiting "terms", the recovery is prorated between "you" and "us" based on the interest of each in the loss.

14. **Safety Glass** -- When breakage of glass is covered, "we" pay to replace the damaged glass with safety glazing materials if required by code, ordinance or law.

15. **Subrogation** -- If "we" pay for a loss, "we" may require that "you" assign to "us" the right of recovery up to the amount "we" pay. "We" are not liable for a loss if, after the loss, "you" impair "our" right to recover against others. "You" may waive "your" right to recover, in writing, before a loss occurs, without affecting coverage. If "we" pay a loss to or for "you" and "you" recover from another party for the same loss, "you" must pay "us" as stated in Recoveries.

16. **Suit Against Us** -- No suit may be brought against "us" unless all the "terms" of this policy have been complied with and the suit is brought within two years after the loss.