

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART

A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.

B. The following is added to the Common Policy Conditions:

Multiyear Policies

We may issue this policy for a term in excess of 12 months with the premium adjusted on an annual basis in accordance with our rates and rules.

C.1. Except as provided in **C.2.** below, the **Appraisal** Condition, if any, is replaced by the following:

- a.** If we and you disagree on the value of the property or the amount of loss ("loss"), either party may make a written request for an appraisal of the loss ("loss"). However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss ("loss") appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an 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 value of the property and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire.
- b.** An appraisal decision will not be binding on either party.
- c.** If there is an appraisal, we will still retain our right to deny the claim.

d. Each party will:

- (1)** Pay its chosen appraiser; and
- (2)** Bear the other expenses of the appraisal and umpire equally.

C.2. The **Appraisal** Condition in Business Income Coverage Form (And Extra Expense) **CP 00 30**, Business Income Coverage Form (Without Extra Expense) **CP 00 32** and Capital Assets Program Coverage Form (Output Policy) **OP 00 01**, Paragraph **A.7.** Business Income And Extra Expense, is replaced by the following:

- a.** If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either party may make a written request for an appraisal of the loss. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an 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.
- b.** An appraisal decision will not be binding on either party.
- c.** If there is an appraisal, we will still retain our right to deny the claim.
- d.** Each party will:
 - (1)** Pay its chosen appraiser; and
 - (2)** Bear the other expenses of the appraisal and umpire equally.

D.1. This Paragraph **D.2.** does not apply to the following:

Farm Liability Coverage Form

Legal Liability Coverage Form

2. The two-year limitation in the Legal Action Against Us Condition is changed to five years.

E.1. This Paragraph **E.2.** does not apply to the following:

Crime and Fidelity Coverage Part

Farm Liability Coverage Form

Legal Liability Coverage Form

Mortgageholders Errors And Omissions Coverage Form

2. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

We will be entitled to recovery only after the insured ("insured") has been fully compensated for the loss ("loss") or damage sustained.

F. The following is added to the **Transfer Of Your Rights Of Recovery Against Others To Us** Condition for the Crime and Fidelity Coverage Part:

Notwithstanding the procedures set forth in the **Recoveries** Condition, we will be entitled to recovery only after the insured has been fully compensated for the loss sustained.

G. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition in Legal Liability Coverage Form **CP 00 40** and Mortgageholders Errors And Omissions Coverage Form **CP 00 70**:

We will be entitled to recovery only after the insured has been fully compensated for the loss or damage sustained, including expenses incurred in obtaining full compensation for the loss or damage.