NORTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

A. Warranties

Wherever the words "warrants", "warranties", "warranted", or "warranty" appear in this Coverage Part, you and we agree that they are representations.

B. Protective Safeguards

The **Protective Safeguards** Additional Condition is replaced by the following:

You must maintain the protective safeguards stated by you to be in effect at a location when this coverage began.

You must notify us immediately when you fail to keep the protective safeguards:

1. In working condition at a location; and

2. In operation when you are closed to business.

C. General Condition C. Legal Action Against Us in the Commercial Inland Marine Conditions is replaced by the following:

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and

2. The action is brought within three years after you first have knowledge of the direct loss or damage.

D. The following condition is added:

Time Period For Performance Of Contractual Obligations

Whenever a state of disaster is proclaimed for the state of North Carolina or for an area within this state in accordance with state law, or whenever a major disaster is declared for North Carolina or an area within this state by the President of the United States under the Stafford Act or its successors, the following provisions apply:

1. If the Covered Property that has sustained loss or damage is located within the designated area in the disaster declaration or proclamation, the time period for your submission of a proof of loss (as set forth in the Duties In The Event Of Loss Condition or in an endorsement attached to this Coverage Part) shall be extended by a time period not exceeding the earlier of:

a. The expiration of the disaster proclamation or declaration and all renewals of the proclamation; or

b. The expiration of the Insurance Commissioner's order declaring action for the specific disaster.

2. Except as otherwise provided in Paragraphs 1. and 4., the following applies if you or we reside in or are located in the designated area in the disaster declaration or proclamation:

If this Coverage Part or an endorsement attached to this Coverage Part imposes a time limitation on you or us for a performance of:

a. A premium or debt payment; or

b. Any other duty or any act (including transmittal of information and communications),

under the terms of this Coverage Part and such performance would be required during the time period prior to the expiration of the Insurance Commissioner's order declaring action for the specific disaster, your performance and our performance is subject to a deferral period of 30 days. The Commissioner of Insurance may extend such deferral period.

3. In addition to Paragraphs 1. and 2. above, if you have been displaced from your residence:

a. Any written notice of cancellation for nonpayment of premium scheduled to be effective after the deferral period has commenced is deferred. Following the expiration of the deferral period, we may cancel for nonpayment of premium subject to the notice requirements in the Cancellation Condition of this Coverage Part.

b. Any written notice of nonrenewal scheduled to be effective after the deferral period has commenced is deferred. Following the expiration of the deferral period, we may elect not to renew this policy subject to the notice requirements in the Nonrenewal Condition of this Coverage Part.

4. If the proclamation or declaration is the result of a public health emergency as determined by the Secretary of the U.S. Department of Health and Human Services, or other situations where the Governor has, by executive order, ordered all individuals in North Carolina to stay at home or at their place of residence, the following provisions shall apply:

a. If you reside within the designated area in the proclamation or declaration, you have the option to defer premium payments that are due during the time period covered by the Commissioner's order declaring the specific public health emergency or situation that may require the citizens of North Carolina to shelter in place. The deferral period shall be 30 days from the last day the premium payment may be made under the terms of the policy. The Commissioner of Insurance may extend such deferral period.

b. Any written notice of cancellation for nonpayment of premium scheduled to be effective after the deferral period has commenced is deferred. Following the expiration of the deferral period, we may cancel for nonpayment of premium subject to the notice requirements in the Cancellation Condition of this Coverage Part.