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This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

A. The following exclusion is added:

1. We will not pay for loss or damage arising out of any act committed:

a. By or at the direction of any insured; and

b. With the intent to cause a loss.

2. However, this exclusion will not apply to deny coverage to an innocent co-insured, provided the loss:

a. Is otherwise covered under this Coverage Part; and

b. Arose out of an act of family violence or sexual assault by an insured, against whom a family violence or sexual assault complaint is brought for such act.

3. If we pay a claim pursuant to Paragraph 2., our payment to the insured is limited to that insured's legal interest in the property less any payments we first made to a mortgageholder or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

B. Loss Condition B. Appraisal is replaced by the following:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, 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. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

1. Pay its chosen appraiser; and

2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. General Condition A. Concealment, Misrepresentation Or Fraud is replaced by the following:

Concealment, Misrepresentation Or Fraud

We will not pay for any loss or damage which involves any misrepresentations, omissions, concealment of facts or incorrect statements that are:

1. Fraudulent;

2. Material either to the acceptance of the risk or to the hazard assumed by us; or

3. If we, in good faith, would not have:

a. Issued the Coverage Part or contract;

b. Issued a Coverage Part or contract in as large an amount or at the premium rate; or

c. Provided coverage with respect to the hazard resulting in the loss;

if the true facts had been known to us as required either by the application for the Coverage Part or contract or otherwise.

D. The following provision:

The cost of repair, restoration or replacement of Covered Property does not include recovery of, and therefore this Policy does not pay any compensation for, an actual or perceived reduction in the market value of any property.

is added to:

1. General Condition F. Valuation of the Commercial Inland Marine Conditions for:

a. The Commercial Articles Coverage Form;

b. The Signs Coverage Form;

c. The Theatrical Property Coverage Form; and

d. Items of property that are not specifically declared and described in the Declarations for the Valuable Papers And Records Coverage Form.

2. Paragraphs E.1.a. and E.1.c.(2) of the:

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a. Camera And Musical Instrument Dealers Coverage Form; and

b. Equipment Dealers Coverage Form.

3. Paragraph E.1. Valuation of the:

a. Physicians And Surgeons Equipment Coverage Form; and

b. Jewelers Block Coverage Form.

4. Paragraph E.1.a. of the Floor Plan Coverage Form.