

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH DAKOTA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

ENVIRONMENTAL SERVICES BUSINESSOWNERS COVERAGE FORM, PART I - PROPERTY

A. The **Legal Action Against Us** Condition is replaced by the following:

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 of the terms of this Coverage Part; and
2. The action is brought within three years after the date on which the direct physical loss or damage occurred.

B. Paragraph **A.** above does not apply to the:

1. Legal Action Against Us Loss Condition in the Legal Liability Coverage Form **CP 00 40**; or
2. Legal Action Against Us Condition applicable to Coverages **C** and **D** in the Mortgageholders Errors And Omissions Coverage Form **CP 00 70**.

C. The following is added to the **Valuation** Loss Condition:

Valued Policies

1. When this Coverage Part is written to insure any real property in North Dakota against loss caused by or resulting from any Covered Cause Of Loss, and the property is wholly or completely destroyed by any Covered Cause Of Loss without fraud on the part of the "insured" or assignee, the amount of insurance written on such real property shall be taken to be the true value of the property insured and the true amount of loss and measure of damages, subject to the exceptions and conditions in Paragraphs **C.2.**, **C.3.**, **C.4.**, **C.5.** and **D.** below.
2. If a covered loss occurs within 60 days after:
 - a. The effective date of the Coverage Part; or
 - b. The Limit of Insurance applying to the real property was increased by 25% or more at the insured's request without construction of additions;

We will pay no more than the lesser of the following:

- (1) The Limit of Insurance under this Coverage Part that applies to the real property; or
 - (2) The amount paid in accordance with the policy provisions as if a partial loss occurred.
3. Paragraph **C.2.** does not apply to:
 - a. Renewal policies for which the Limit of Insurance applying to the real property is increased less than 25%;
 - b. Policies for which the Limit of Insurance applying to the real property has increased by 25% or more due to the construction of additions; or
 - c. Policies for which an increased Limit of Insurance applying to the real property was approved by us prior to the loss.
 4. Builders' risk policies of insurance covering property in the process of being constructed shall be valued and settled according to the actual value of that portion of the construction completed at the time of the loss.
 5. The Valued Policies provisions in Paragraphs **C.1.**, **C.2.**, **C.3.**, **C.4.** and **D.**, do not apply to any claim for loss to an appurtenant or separate structure, unless the appurtenant or separate structure is individually described in the policy and a value has been assigned to the appurtenant or separate structure before the loss.

When the Valued Policies provisions do not apply, the claim for loss to an appurtenant or separate structure will be settled for actual cash value or replacement cost, depending on the Coverage Part provisions applicable to that structure.

D. The following is added to the **Other Insurance** Condition and supersedes any provisions to the contrary:

3. Valued Policies – Other Insurance

With respect to valued policies, if two or more policies are written upon the same property interest and cover the loss, each insurer will pay only that proportion of the cost of the loss that the limit of insurance under its policy bears to the total amount of insurance covering the loss.

E. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions** in the Causes Of Loss Forms and to any Coverage Form or policy to which a Causes Of Loss Form is not attached:

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 who did not cooperate in or contribute to the creation of the loss, provided the loss is otherwise covered under this Coverage Part and:

- a. The loss arose out of domestic violence; and
- b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

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

F. The **Transfer Of Rights Of Recovery Against Others To Us** Condition, in the Property Conditions, is amended by adding the following:

If we pay an innocent co-insured victim of domestic violence for loss arising out of an act of domestic violence by another insured, the rights of the innocent co-insured to recover damages from the perpetrator of the domestic violence are transferred to us to the extent of our payment. Following the loss, the innocent co-insured may not waive such rights to recover against the perpetrator of the domestic violence.

All other terms and conditions of this policy remain unchanged.