

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WISCONSIN CHANGES

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY POLICY

A. Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation.

If this policy has been in effect for less than 60 days and is not a renewal policy, we may cancel for any reason.

If this policy has been in effect for 60 days or more or is a renewal of a policy we issued, except as provided in Paragraph **7.** below, we may cancel this policy only for one or more of the following reasons:

- a.** The policy was obtained by material misrepresentation;
- b.** There has been a substantial change in the risk we originally assumed, except to the extent that we should have foreseen the change or considered the risk in writing the policy;
- c.** There have been substantial breaches of contractual duties, conditions or warranties; or
- d.** Nonpayment of premium.

If this policy has been in effect for 60 days or more or is a renewal of a policy we issued, the notice of cancellation will state the reason for cancellation.

B. The following is added to the **Cancellation** Common Policy Condition:

7. Anniversary Cancellation

If this policy is written for a term of more than one year or has no fixed expiration date, we may cancel this policy for any reason by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

We may cancel this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of cancellation contains an offer to continue the policy with us if we receive a written request from the first Named Insured prior to the date of cancellation.

C. Rescission

1. We may rescind this policy because of the following:

- a.** Misrepresentation made by you or on your behalf in the negotiation for or procurement of this Coverage Part, if the person knew or should have known that the representation was false;
- b.** Breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this Coverage Part;
- c.** Failure of a condition before a loss if such failure exists at the time of loss; or
- d.** Breach of a promissory warranty if such breach exists at the time of loss.

2. We may not rescind this policy:

- a.** For the reasons in Paragraphs **C.1.a.** and **C.1.b.** unless:
 - (1)** We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
 - (2)** The facts misrepresented or falsely warranted contribute to the loss.
- b.** For the reasons in Paragraphs **C.1.c.** and **C.1.d.** unless such failure or breach:
 - (1)** Increases the risk at the time of loss; or
 - (2)** Contributes to the loss.

3. If we elect to rescind this policy, we will notify the first Named Insured of our intention within 60 days after acquiring knowledge of sufficient facts to constitute grounds for rescission.

D. The following are added and supersede any other provisions to the contrary:

1. Nonrenewal

a. If we elect not to renew this policy we will mail or deliver written notice of nonrenewal to the first Named Insured's last mailing address known to us. We may elect not to renew for any reason; the notice will state the reason for nonrenewal. We will mail or deliver the notice at least 60 days before the expiration date of this policy.

We need not mail or deliver the notice if:

- (1) You have insured elsewhere;
- (2) You have accepted replacement coverage;
- (3) You have requested or agreed to nonrenewal of this policy; or
- (4) This policy is expressly designated as nonrenewable.

b. We may refuse to renew this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of nonrenewal contains an offer to renew the policy with us if we receive a written request from the first Named Insured prior to the renewal date.

c. If you fail to pay the renewal or continuation premium by the premium due date, this policy will terminate on the policy expiration or anniversary date, if we have:

- (1) Given you written notice of the renewal or continuation premium not more than 75 days nor less than 10 days prior to the due date of the premium; and
- (2) Stated clearly in the notice the effect of nonpayment of premium by the due date.

2. Anniversary Alteration

If this policy is written for a term of more than one year or has no fixed expiration date, we may alter the terms or premiums of this policy by mailing or delivering written notice of less favorable terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least 60 days prior to the anniversary date.

If we notify the first Named Insured within 60 days prior to the anniversary date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the policy at any time during the 60 day period, in accordance with Paragraph 1. of the Cancellation Common Policy Condition. If the first Named Insured elects to cancel the policy during the 60 day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

3. Renewal With Altered Terms

If we elect to renew this policy but on less favorable terms or at higher premiums, we will mail or deliver written notice of the new terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least 60 days prior to the renewal date.

If we notify the first Named Insured within 60 days prior to the renewal date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the renewal policy at any time during the 60 day period, in accordance with the Paragraph 1. of the Cancellation Common Policy Condition. If the first Named Insured elects to cancel the renewal policy during the 60 day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

We need not mail or deliver this notice if the only change adverse to you is a premium increase that:

- a. Is less than 25% and is generally applicable to the class of business to which this policy belongs; or
- b. Results from a change based on your action that alters the nature or extent of the risk insured against, including but not limited to a change in the classification or the units of exposure, or increased policy coverage.

E. The **Vacancy** Loss Condition is replaced by the following, except as provided in F. below.

8. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building has the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is "vacant" or "unoccupied" when 70% or more of its total square footage is "vacant" or "unoccupied".

(2) Buildings under construction or renovation are not considered "vacant" or "unoccupied".

b. Vacancy Provisions

We will not pay for any loss or damage if the building where loss or damage occurs has been "vacant" or "unoccupied" for more than 60 consecutive days before that loss or damage, whether or not such vacancy or unoccupancy begins before the inception of this policy.

But we will pay if the building is "unoccupied" due to circumstances that are usual or incidental to the described occupancy.

This condition does not apply if the Vacancy Permit Endorsement is attached.

F. The following applies to the Condominium Commercial Unit-Owners Changes – Standard Property Policy Endorsement:

The **Vacancy** Loss Condition is replaced by the following:

We will not pay for any loss or damage if the unit where loss or damage occurs has been "vacant" or "unoccupied" for more than 60 consecutive days before that loss or damage, whether or not such vacancy or unoccupancy begins before the inception of this policy.

But we will pay if the unit is "unoccupied" due to circumstances that are usual or incidental to the described occupancy.

This condition does not apply if the Vacancy Permit endorsement is attached.

G. The **Concealment, Misrepresentation Or Fraud** Additional Condition is replaced by the following:

2. Concealment, Misrepresentation Or Fraud

a. No misrepresentation and no breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this Policy affects our obligations unless, if a misrepresentation, the person knew or should have known that the representation was false, and unless:

(1) We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or

(2) The facts misrepresented or falsely warranted contribute to the loss.

b. No failure of a condition before a loss and no breach of a promissory warranty affects our obligation under this Policy unless such failure or breach exists at the time of loss and either:

(1) Increases the risk at the time of loss; or

(2) Contributes to the loss.

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

LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Policy unless the action is brought within 2 years after the date on which the direct physical loss or damage occurred.

I. 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 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 an act or pattern of abuse or domestic abuse; and

b. The perpetrator of the loss is criminally prosecuted for the act or acts causing the loss.

3. If we pay a claim pursuant to Paragraph **I.2.**, our payment to the innocent 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.

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

If we pay an insured for a loss described in Paragraph **I.2.**, the rights of the insured to recover damages from the perpetrator are transferred to us to the extent of our payment. Following the loss, the insured may not waive such rights to recover against the perpetrator.

We will be entitled to a recovery only after you have been fully compensated for damages.

K. The following are added:

1. Knowledge And Acts Of Agents

a. If any of our agents knows any fact that breaches a condition of this policy, we will be considered to know it also if that fact:

- (1) Is known to the agent at the time the policy is issued or an application made; or
- (2) Later becomes known to the agent in the course of his or her dealings as an agent with you.

b. Any fact that breaches a condition of this policy and is known to the agent before the loss will not:

- (1) Void this policy; or
- (2) Prevent a recovery in the event of loss.

2. The Ordinance Or Law Exclusion in this Policy, including any endorsement, does not apply to dwelling properties occupied as a residence by you.

3. Conformity To Statute Or Rule

Any provision of this policy (including endorsements which modify the policy) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. s. 227.11(2) and published in the Wisconsin Administrative Code.

L. The following is added to the **Loss Payment Loss Condition in the Standard Property Policy:**

If a municipality, which is a first class city, has elected to apply the provisions of Wis. Stat. Ann. Secs. 632.10 through 632.104, a part of our payment for fire or explosion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to these provisions.

1. The withheld amount will be paid in accordance with the law, to the following:

- a. The municipality where the covered property is located;
- b. You and any other interest named in the Declarations; or
- c. The mortgageholder, if any.

However, we will not pay more than the amount of loss payable under this policy.

2. Within 10 days after withholding the required amount, we will give written notice of the withholding to the following:

- a. The building inspection official of the municipality where the covered property is located;
- b. You;
- c. Any mortgageholder and any other lienholder who has an existing lien against the property and is named in the Declarations; and
- d. The court in which judgment was entered if the final settlement was determined by judgment.

3. We will not be liable in any cause of action, nor may any liability be imposed on us, arising from the payment, withholding or transferring of all or any portion of a final settlement in accordance with Wis. Stat. Ann. Secs. 632.10 through 632.104.

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

1. When this policy insures real property in Wisconsin which is owned and occupied by you primarily as a dwelling, and the property is wholly destroyed, we will pay the limit of insurance that applies to such property, subject to the exceptions and conditions in Paragraphs **M.2.** and **M.3.** below.

2. 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. The Limit of Insurance on a Builders Risk policy represents the value of the building when it is completed.
3. The Valued Policy Provision, Paragraph **M.1.** above, does not apply to any claim for loss to any building which is insured under a blanket form or endorsement with one Limit of Insurance applicable to two or more buildings. When a building, owned and occupied by you primarily as a dwelling, is wholly destroyed, the loss will be settled at the value stated in the most recent Statement of Values on file with us.