

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT – LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

VESSEL PHYSICAL DAMAGE COVERAGE FORM

SCHEDULE

Property Covered	Name and Address of Loss Payee

The following is added to **PAYMENT OF LOSS OR CLAIM**:

Loss Payable Clause

For Property Covered in which both “you” and a Loss Payee shown in the Schedule above have an insurable interest, “we” will adjust losses with “you” and pay any claim for loss or damage jointly to “you” and the Loss Payee as their interests may appear.

The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on “your” Property Covered.

- a. If “we” deny “your” claim because of “your” acts or because you have failed to comply with the terms of this insurance, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
- (1) Pays any premium due under this insurance at “our” request if “you” have failed to do so;
 - (2) Submits a signed sworn proof of loss within 60 days after receiving notice from “us” of “your” failure to do so; and
 - (3) Has notified “us” of any change in ownership, occupancy, or substantial change in risk known to the Loss Payee.

However, if the Property Covered is intentionally damaged, destroyed or concealed by an “insured”, by the Loss Payee, or by anyone acting on behalf of the “insured” or the Loss Payee, then no coverage will be provided to the Loss Payee.

- b. If “we” pay the Loss Payee for any loss or damage and deny payment to “you” because of “your” acts or because “you” have failed to comply with the terms of this insurance:

- (1) The Loss Payee’s rights will be transferred to “us” to the extent of the amount “we” pay; and
- (2) The Loss Payee’s rights to recover the full amount of the Loss Payee’s claim will not be impaired.

At “our” option, “we” may pay to the Loss Payee the whole principal on the debt plus any accrued interest on the property described in the Schedule above. In this event “you” will pay “your” remaining debt to “us”.

Limit of Liability – The amount payable to the loss payee(s) will be the lesser of:

- (1) The amount payable under **HOW MUCH WE PAY**, paragraph 1., Property Coverages; and
- (2) The loss payee(s) interest in the property including, but not limited to, the unpaid balance of the loan for the property described in the Schedule above.

The above limit applies regardless of the number of loss payees.

c. Notification of Cancellation or Non-Renewal

If “we” cancel or do not renew this form, “we” will notify the Loss Payee at the address shown on the Schedule above at least 10 days before the cancellation or non-renewal is effective.

All other terms and conditions of this policy remain unchanged.

SPECIMEN