

within thirty (30) days after the two appraisers are appointed. If the appraisers fail to agree, they shall jointly select a competent and disinterested third appraiser and submit the question to him within fifteen (15) days thereafter. The first two appraisers shall state separately the actual cash value at time of loss and the amount of the loss. Subsequent agreement in writing by any two of the three appraisers within thirty (30) days after the third appraiser was selected shall be considered by the Insurer in determining the amount of the loss but shall not be considered binding upon him and shall not be admissible as such in court. The insured and the Insurer shall each pay its chosen appraiser and shall bear equally the expenses of the third appraiser and the other expenses of appraisal. The Insurer shall not be held to have waived any of its rights by any act relating to appraisal.

9. *Action against insurer.* No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been compliance with all the terms of this Policy and the applicable regulations of the Federal Insurance Administration, nor until ninety (90) days after the required proofs of loss have been filed with the Insurer, nor at all unless commenced within 2 years from the date when the insured discovers the loss and within 1 year after the date upon which the claimant received written notice of disallowance or partial disallowance of the claim. Any such action shall be brought in a U.S. district court, as required by 12 U.S.C. 1749bbb-11.

10. *Subrogation.* In the event of any payment under this Policy, the Insurer shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

11. *Changes.* Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Insurer from the asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or challenged, except by endorsement issued to form a part of this Policy, as approved by the Federal Insurance Administrator.

12. *Cancellation.* This Policy may be cancelled by the insured by surrender thereof to the Insurer or any of its authorized agents or by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective. The grounds for cancellation of coverage by the Insurer shall be limited to those set forth in subchapter B, parts 80 *et seq.*, chapter I, Title 44 of the Code of Federal Regulations. Except as otherwise provided by such regulations, notice of can-

cellation by the Insurer shall be mailed to the named insured at the address shown in this Policy, stating when not less than thirty (30) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date of cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the named insured or by the Insurer shall be equivalent to mailing. In the event of cancellation, earned premium shall be computed in accordance with the customary short rate table and procedure, unless otherwise specifically provided in said Regulations issued by the Insurer. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

13. *Assignment.* Assignment of interest under this Policy shall not bind the Insurer until its consent is endorsed hereon; if, however, the insured shall die, this Policy shall cover the insured's legal representative as insured; provided that notice of cancellation addressed to the insured named in the Application and mailed to the address shown in this Policy shall be sufficient notice to effect cancellation of this Policy.

14. *Declarations.* By signing the Application or by acceptance of this Policy the insured certifies and agrees, under penalty of Federal law dealing with fraud and false representation (18 U.S.C. 1001), that the statements in the Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations, that he is aware of the applicability of the regulations issued by the Insurer, and that this Policy and said regulations embody all agreements existing between himself and the Insurer or any of its agents relating to this insurance.

In witness whereof, the Federal Insurance Administrator has accepted the declarations of the insured set forth in the Application and has caused this Policy to be issued.

Federal Insurance Administrator.

(c) Such endorsements to the Commercial Crime Insurance Policy forms as the insurer may approve.

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