

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NORTH DAKOTA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL LIABILITY UMBRELLA COVERAGE PART**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- I. If you are an individual and a "covered auto" you own is of the private passenger type, and this policy covers six or less private passenger type "autos":
  - A. The **Cancellation** Common Policy Condition is replaced by the following:

**ENDING THIS POLICY**

**CANCELLATION**

    1. You may cancel the policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
    2. When this policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel for any reason by mailing written notice of cancellation at least 10 days before the effective date of cancellation.
    3. When this policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:
      - a. Nonpayment of premium.
      - b. You or any driver who either lives with you or customarily uses a "covered auto" has had his or her driver's license suspended or revoked during the policy period.However, we may not cancel for this reason if the operator whose license is suspended or revoked is excluded from coverage under this policy.
  - c. This policy has been written for a period of more than a year or without a fixed expiration date. We may cancel for this reason only at an anniversary of its original effective date.
- d. If the "covered auto" is:
  - (1) So mechanically defective that its operation might endanger public safety;
  - (2) Used in carrying passengers for hire or compensation; provided, however, that the use of an "auto" for a car pool is not use of an "auto" for hire or compensation;
  - (3) Used in the transportation of flammables or explosives or for an illegal purpose;
  - (4) An authorized emergency vehicle;
  - (5) Altered by an insured during the policy period so as to substantially increase the risk.
- e. You move to a state where we are not licensed to do business.
- f. Failure to pay dues or fees where payment of the dues or fees is a prerequisite to obtaining or continuing automobile insurance coverage.
- g. A determination by the Commissioner that the continuation of the policy would place us in violation of the law or would be hazardous to the interests of policyholders, creditors, or the public.

h. Fraud or material misrepresentation made by or with the knowledge of any insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy.

4. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. However, making or offering to make the refund is not a condition of cancellation. If you cancel, the refund, if any, will be computed in accordance with our customary short rate procedure. If we cancel, the refund, if any, will be computed pro rata.
5. The effective date of cancellation stated in the notice shall become the end of the policy period.
6. If we cancel for any reason described in Paragraphs **A.3.a.** through **h.** above, we will mail written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason described in Paragraphs **A.3.b.** through **h.**

The notice of cancellation will state the reason(s) for cancellation.

- B. Condition 10. When We Do Not Renew of Section IV – Conditions** is replaced by the following:

**WHEN WE DO NOT RENEW**

1. If we decide not to renew or continue this policy we will mail you written notice of non-renewal, stating the reason(s) for nonrenewal, at least 30 days before the end of the policy period. If the policy period is other than one year, we will have the right not to renew or continue it only at an anniversary of its original effective date. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

2. If we fail to mail proper notice of non-renewal and you obtain other insurance this policy will end on the effective date of that insurance.

**C. Mailing Of Notices**

Any notice of cancellation or non-renewal will be mailed to your last known address. However, we may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

- II. For all other circumstances not described in Paragraph I., the following Conditions apply:**

- A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by Paragraphs 2. and 3. below:**

**2. Policies In Effect**

**a. For Less Than 90 Days**

If this policy has been in effect for less than 90 days, we may cancel the policy for any reason by mailing to the first Named Insured, and agent, if any, written notice of cancellation at least 10 days before the effective date of cancellation.

**b. For 90 Days Or More Or Policies With Terms Longer Than One Year Or Continuous Policies**

If this policy has been in effect for 90 days or more, is a renewal of a policy we issued, is a policy issued for a term longer than one year or is a continuous policy, we may cancel the policy only for one or more of the following reasons:

- (1) Nonpayment of premiums;
- (2) Misrepresentation or fraud made by the insured or with the insured's knowledge in obtaining the policy or in pursuing a claim under the policy;
- (3) The insured's actions that have substantially increased or substantially changed the risk insured;
- (4) The insured's refusal to eliminate known conditions that increase the potential for loss, after our notification that the condition must be removed;

- (5) Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
- (6) Loss of reinsurance which provided us with coverage for a significant amount of the underlying risk insured;
- (7) A determination by the insurance commissioner that the continuation of the policy could place us in violation of North Dakota insurance laws;
- (8) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance. Cancellation for this reason does not apply to persons who are retired at sixty-two years of age or older or to any person who is disabled according to social security standards; or

We will mail written notice of cancellation to the first Named Insured, and agent, if any, at least:

- (a) 10 days before the effective date of cancellation for nonpayment of premium; or
- (b) 30 days before the effective date of cancellation for any other reason.

However, for policies with terms longer than one year or continuous policies, notice of cancellation will be mailed at least 30 days prior to any anniversary date for any reason stated in Paragraphs **2.b.(1)** through **(8)** above.

If we cancel for a reason listed in Paragraphs **2.b.(1)** through **(8)** above, the notice of cancellation will state our reasons for cancellation.

- 3. We will mail our notice, by first class mail, to the first Named Insured and agent, if any, at the last mailing address known to us.

**B. Condition 10. When We Do Not Renew of Section IV – Conditions** is replaced by the following:

#### **WHEN WE DO NOT RENEW**

- 1. If we elect not to renew this policy, we will mail to the first Named Insured shown in the Declarations, and agent, if any, a notice of intention not to renew at least 30 days prior to the expiration date of the policy. The notice of nonrenewal will state our reason for nonrenewal.
- 2. We will mail our notice, by first class mail, to the first Named Insured and agent, if any, at the last mailing address known to us.
- 3. We need not mail or deliver this notice if you have:
  - a. Insured elsewhere;
  - b. Accepted replacement coverage; or
  - c. Requested or agreed to nonrenewal.