

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

## **MARYLAND CHANGES**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Cancellation** Common Policy Condition is amended as follows:
1. Paragraphs **2.** and **3.** are replaced by the following:
    - a.** When this policy has been in effect for 45 days or less and is not a renewal policy, we may cancel this policy by mailing to the first Named Insured at the last mailing address known to us written notice of cancellation, stating the reason for cancellation, at least:
      - (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
      - (2)** 15 days before the effective date of cancellation if we cancel because the risk does not meet our underwriting standards.
    - b.** When this policy has been in effect for more than 45 days or is a renewal policy, we may cancel this policy by mailing to the first Named Insured at the last mailing address known to us written notice of cancellation at least:
      - (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
  - (2)** 45 days before the effective date of cancellation if we cancel for a permissible reason other than nonpayment of premium, stating the reason for cancellation. Under this Paragraph **(2)**, we may cancel only for one or more of the following reasons:
    - (a)** When there exists material misrepresentation or fraud in connection with the application, policy, or presentation of a claim.
    - (b)** A change in the condition of the risk that results in an increase in the hazard insured against.
    - (c)** A matter or issue related to the risk that constitutes a threat to public safety.

If we cancel pursuant to Paragraph **b.(2)**, you may request additional information on the reason for cancellation within 30 days from the date of our notice.
- 2.** Paragraph **5.** is replaced by the following:
- If this policy is cancelled, we will send the first Named Insured any premium refund due.
- If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be calculated as follows:
- a. Policies Written For One Year Or Less**
- We will refund 90% of the pro rata unearned premium.

**b. Policies Written For More Than One Year**

- (1) If the policy is cancelled in the first year, we will refund 90% of the pro rata unearned premium for the first year, plus the full annual premium for subsequent years.
- (2) If the policy is cancelled after the first year, we will refund the pro rata unearned premium.

**c. Continuous And Annual Premium Payment Policies**

We will refund 90% of the pro rata unearned premium for the year in which the policy is cancelled.

We will retain the minimum premium, except if the policy is cancelled as of the inception date.

However, if this policy is financed by a premium finance company and we or the premium finance company or the first Named Insured cancels the policy, the refund will consist of the gross unearned premium computed pro rata, excluding any expense constant, administrative fee or nonrefundable charge filed with and approved by the insurance commissioner.

The cancellation will be effective even if we have not made or offered a refund.

**C. Paragraph 6. of the **Cancellation** Common Policy Condition is replaced by the following, except as provided in Paragraph D. of this endorsement.**

We will send notice of cancellation to the first Named Insured by certificate of mail if:

- a. We cancel for nonpayment of premium; or
- b. This policy is not a renewal of a policy we issued and has been in effect for 45 days or less.

We will send notice to the first Named Insured by certificate of mail or by commercial mail delivery service if we cancel for a reason other than nonpayment of premium and this policy:

- a. Is a renewal of a policy we issued; or
- b. Has been in effect for more than 45 days.

We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.

**D. With respect to the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, Paragraph 6. of the **Cancellation** Common Policy Condition is replaced by the following:**

We will send notice to the first Named Insured by certificate of mail if we cancel the policy. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service. Proof of mailing will be sufficient proof of notice.

**E. The following condition is added, except as provided in Paragraph F. of this endorsement.**

**Nonrenewal**

1. We may elect not to renew this policy by mailing notice of nonrenewal to the first Named Insured at the last mailing address known to us at least 45 days before the expiration date of this policy.
2. We will send notice of nonrenewal to the first Named Insured by certificate of mail or by commercial mail delivery service. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.
3. When we elect not to renew a policy that has been in effect for more than 45 days for a reason other than nonpayment of premium, we will provide a written statement of the actual reason for the refusal to renew. You may request additional information within 30 days from the date of our notice.
4. If we offer to renew at least 45 days before the renewal date and you fail to make the required premium payment by the renewal date, the policy will terminate on the renewal date for nonpayment of premium.

**F. With respect to the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, the following condition is added:**

**Nonrenewal**

1. We may elect not to renew this policy by mailing notice of nonrenewal to the first Named Insured at the last mailing address known to us at least 45 days before the expiration date of this policy.

2. We will send notice of nonrenewal to the first Named Insured by certificate of mail. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service. Proof of mailing will be sufficient proof of notice.
  3. When we elect not to renew a policy that has been in effect for more than 45 days for a reason other than nonpayment of premium, we will provide a written statement of the actual reason for the refusal to renew.
- G.** The following is added to the **Legal Action Against Us** Condition and supersedes any other provision to the contrary:
- In addition to any other requirement for bringing a legal action against us, the action must be brought within three years from the date it accrues.

- H.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:

**Concealment, Misrepresentation Or Fraud**

We do not provide coverage in any case of fraud by you, at any time, as it relates to this insurance. We also do not provide coverage if you or any other insured ("insured"), at any time, intentionally conceals or misrepresents a material fact concerning:

1. This insurance;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this insurance.