

AMENDATORY ENDORSEMENT OREGON

1. Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation and Nonrenewal -- "You" may cancel this policy by returning the policy to "us" or by giving "us" a written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy, or one or more of its parts, by written notice mailed or delivered to "you" at "your" last mailing address known to "us". If the notice is mailed, proof of mailing will be sufficient proof of notice. The notice will contain the effective date and the reason or reasons for cancellation or nonrenewal.

If this policy has been in effect for less than 60 days, "we" may cancel for any reason. "We" will give "you" notice at least ten days before cancellation is effective.

If this policy has been in effect for 60 days or more, or if it is a renewal of a policy issued by "us":

- a. "We" may cancel this policy only at the anniversary date unless one or more of the following reasons apply:
- 1) nonpayment of premium;
 - 2) fraud or material misrepresentation made by "you" or with "your" knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
 - 3) substantial increase in the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation, or court decision;
 - 4) failure to comply with reasonable loss control recommendations;
 - 5) substantial breach of contractual duties, conditions, or warranties;

6) a determination by the Director that the continuation of a line of insurance or class of business to which the policy belongs will jeopardize "our" solvency or will place "us" in violation of the insurance laws of Oregon or any other state;

7) loss or decrease in reinsurance covering the risk; or

8) any other reason approved by the Director by rule.

b. Cancellation for nonpayment of premium will not be effective until at least ten working days after "you" receive "our" notice.

c. Cancellation for any reason other than nonpayment of premium will not be effective:

1) until at least 30 days after "you" receive "our" notice, for a property or output policy that does not include commercial liability coverage; or

2) until ten working days after "you" receive "our" notice for any other type of policy.

"Your" return premium, if any, will be calculated on a pro rata basis. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

"We" may cancel this policy or coverage on any anniversary date by giving "you" written notice at least 45 days prior to the anniversary date on which cancellation is to be effective.

If "we" decide not to renew this policy, nonrenewal will not be effective until at least 45 days after "you" receive "our" notice.

2. Under Common Policy Conditions, the following condition is added:

Renewal -- If "we" decide to renew this policy with less favorable "terms" or higher rates, "we" will give "you" and "your" agent, if any, written notice at least 45 days prior to the renewal date. This provision does not apply if the change is a rate, form, or plan filed with the Director and applicable to the entire line of insurance or class of business to which the policy belongs, or to a premium increase based on the altered nature or extent of the risk insured against.