

## AMENDATORY ENDORSEMENT NEW YORK

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

### **Cancellation, Nonrenewal, and Conditional Renewal --**

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

"We" may cancel this policy by written notice to "you" at the address shown on the policy and to "your" authorized agent or broker. "Our" notice will specify the grounds for cancellation. Proof of delivery or mailing is sufficient proof of notice. If "we" cancel this policy for nonpayment of premium, "our" notice will include the amount of premium due.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason.

If this policy has been in effect for more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel only for one or more of the following reasons:

- 1) the premium has not been paid when due;
- 2) "your" conviction of a crime arising out of acts increasing the hazard insured against;
- 3) discovery of fraud or material misrepresentation in obtaining the policy or in the presentation of a claim thereunder;
- 4) after issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition that substantially and materially increases the hazard insured against and which occurred subsequent to inception of the current policy period;

- 5) material physical changes in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which result in the property becoming uninsurable in accordance with "our" objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- 6) a determination by the Superintendent of Insurance that continuation of "our" present premium volume would jeopardize "our" solvency or be hazardous to the interests of "our" policyholders, creditors, or the public;
- 7) a determination by the Superintendent that a continuation of the policy would violate, or would place "us" in violation of, any provision of New York Insurance Laws; or
- 8) where "we" have reason to believe, in good faith and with sufficient cause, that there is a probable risk or danger that "you" will destroy, or permit to be destroyed, "your" property for the purpose of collecting the insurance proceeds.

If "we" cancel this policy for any of the reasons listed in a.1) through 8), "we" will mail or deliver written notice at least 15 days before cancellation is effective.

If "we" cancel this policy for any other reason during the first 60 days this policy is in effect, "we" will mail or deliver written notice at least 20 days before cancellation is effective.

If "we" cancel this policy for reason 8) above, "we" will advise "you" that "you" must act within ten days if "you" desire a review by the Insurance Department. "We" will also simultaneously notify the Insurance Department of "our" cancellation of "your" policy.

- b. "We" may not renew or not renew with the same "terms", conditions, or rates, this policy by written notice to "you" at the address shown in the policy and to "your" authorized agent or broker. Proof of delivery or mailing is sufficient proof of notice. These nonrenewal or conditional renewal requirements will not apply when "you", an agent or broker authorized by "you", or another insurer of "yours" has mailed or delivered written notice to "us" that the policy has been replaced or is no longer desired.

If "we" do not renew this policy, "we" will mail or deliver written notice at least 60 days, but not more than 120 days, before the end of the policy period or the anniversary date. "Our" notice will specify the grounds for nonrenewal.

If "we" decide not to renew this policy with the same "terms", conditions, or rates, "we" will mail or deliver written notice of conditional renewal at least 60 days, but not more than 120 days, before the end of the policy period or anniversary date. "Our" notice will state the reasons for conditional renewal and set forth the amount of any premium increase and the nature of any other proposed changes. This provision applies to renewal conditioned upon change of "limits", change in type of coverage, reduction of coverage, increased deductible, addition of exclusion, or upon increased premiums in excess of 10% (exclusive of any premium increase generated as a result of increased exposure units or as a result of experience rating or loss rating).

If "we" notify "you" of "our" intent not to renew or not to renew with the same "terms", conditions, and rates:

- 1) at least 30 days but less than 60 days prior to the expiration date of the policy, coverage will continue on the same "terms" and conditions as the expiring policy and at the lower of the current rates or the prior policy period rates, until 60 days after the notice is mailed or delivered to "you". If "we" offer to renew with different "terms", conditions, or rates and "you" elect to renew the coverage, the "terms", conditions, and rates set forth in the conditional notice apply as of the renewal date;
- 2) less than 30 days prior to the expiration date of the policy, coverage will continue on the same "terms" and conditions as the expiring policy, and at the lower of the current rates or the prior policy period rates, until 60 days after the notice is mailed or delivered to "you". If "we" offer to renew with different "terms", conditions, or rates and "you" elect to renew the coverage, the "terms", conditions, and rates set forth in the conditional notice apply after the expiration of the 60 day period; or
- 3) on or after the expiration date of the policy; coverage will continue on the same "terms" and conditions as the expiring policy for another required policy period, and at the lower of the current rates or the prior policy period rates.

Required policy period means a period of one year from the date as of which a covered policy is renewed or first issued.

c. As an alternative, "we" may notify "you", in writing, at the address shown in the policy and "your" authorized agent or broker of "our" intent not to renew or not to renew with the same "terms", conditions, and rates by giving written notice at least 60 days, but not more than 120 days, before the expiration date of the policy. In that case, coverage will continue on the same "terms", conditions, and rates until either:

- 1) the expiration date; or
- 2) 60 days after "we" give a second notice which indicates "our" decision to either not renew this policy or that this policy will be continued with changes in policy "terms", conditions, and rates;

whichever is later.

"Our" second notice will state either the reasons for nonrenewal or the reasons for conditional renewal and set forth the amount of any premium increase and the nature of any other proposed changes.

d. This item applies to the Commercial Liability Coverage only, if applicable. If the policy period is extended, the aggregate "limits" of this policy will be increased in proportion to any policy period extension, and the last sentence under How Much We Pay will be deleted.

e. "Your" return premium, if any, will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.

2. Under Common Policy Conditions, Change, Modification, or Waiver of Policy Terms is deleted and replaced by the following:

**Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid. If "we" adopt a revision which broadens coverage under this edition of "our" policy without an additional premium during the policy period, or within six months before this coverage is effective, the broadened coverage will apply. If a change in forms or endorsements reduces coverage or "limits", "we" must notify "you" as provided under the nonrenewal "terms" contained in this policy.

If this policy has no expiration date, "we" may substitute or "we" may add, at each anniversary date, forms that are then authorized for use.

3. Under Common Policy Conditions, Examination of Books and Records is deleted and replaced by the following:

**Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

a. "We" will perform an audit to determine the final premium for policies if the initial premium is based on an estimate of "your" exposure base. This audit will be performed within 180 days after the expiration of the policy, unless the policy is continuous or for a period longer than one year, in which case the audit will be performed within 180 days of the anniversary date. This audit may not be waived except when the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1,500.

b. "We" will, as soon as is practical after such audit, refund or credit "your" account for any return premium due "you", or bill and make a good faith effort to collect any additional premium due "us" as a result of the audit.

- c. If "you" fail to cooperate with "us" in "our" attempt to conduct such audit, including failure to return any questionnaires or self-audit worksheets, "we" may nonrenew this policy upon completion of the current policy period, in accordance with the provisions of section 3426 of the Insurance Law, due to "our" inability to establish a proper premium for "you".