

## AMENDATORY ENDORSEMENT CALIFORNIA

1. Under Common Policy Conditions, Cancellation is deleted and replaced by the following:  
**Cancellation And Nonrenewal**
  - 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.
  - b. "We" may cancel or not renew this policy by delivering or mailing written notice to the producer of record and to "you" at "your" mailing address last known to "us". "Our" notice will state the reason for the cancellation or nonrenewal. Proof of delivery or mailing is sufficient proof of notice.
  - c. If this policy has been in effect for 60 days or less, "we" may cancel for any reason. "We" will give "you" notice at least 10 days before the cancellation is effective. "Our" notice will state the date on which the cancellation is effective. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent.
  - d. 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) nonpayment of premium;
    - 2) there has been a judgment by a court or an administrative tribunal that "you" have violated a law of this state or the United States involving an act that materially increases a hazard insured against;
    - 3) there has been a discovery of fraud or material misrepresentation committed by:
      - a) a person insured under this coverage or his or her representative in obtaining this insurance; or
      - b) "you" or "your" representative in pursuing a claim under this policy;
    - 4) there has been a discovery of willful or grossly negligent acts or omissions, or of violations of state laws or regulations establishing safety standards by "you" or "your" representative, that materially increase a hazard insured against;
    - 5) there has been a failure by "you" or "your" representative to implement reasonable loss control requirements to which "you" agreed as a condition of the issuance of this policy, or which were required in order to qualify for a particular rate or rating plan, if the failure materially increases a hazard insured against;
    - 6) the Insurance Commissioner has determined that loss of, or changes in, "our" reinsurance would threaten "our" financial integrity or solvency;
    - 7) the Insurance Commissioner has determined that a continuation of this policy would place "us" in violation of the law or that continuation of coverage would threaten "our" solvency; or
    - 8) there has been a change made by "you" or "your" representative in the activities or property which has resulted in a materially added, increased, or changed hazard that is not included in the policy.

If "we" cancel this policy for nonpayment of premium or fraud, "we" will give "you" notice at least 10 days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days before cancellation is effective. "Our" notice will state the date on which the cancellation is effective. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent.

- e. "Your" return premium, if any, will be calculated on a pro rata basis and will be refunded at the time of cancellation or within 80 business days of cancellation unless this policy is subject to audit. If this policy is subject to audit, it will be refunded to "you" within 80 business days of the date "you" provide all information needed to conduct an audit. Payment or tender of the unearned premium is not a condition of cancellation.
- f. If we decide not to renew this policy, "we" will give "you" notice at least 60 days, but not more than 120 days, before the nonrenewal is effective.

However, notice of nonrenewal is not required if:

- 1) this policy is transferred to or renewed by another insurer in "our" insurance group without changing policy "terms" or the rate on which the premium is based;
- 2) the policy has been extended for 90 days or less after notice was given in accordance with the requirements of this condition;
- 3) "you" have obtained replacement coverage or have agreed in writing to obtain replacement coverage within 60 days of the termination of this policy;

- 4) this policy was issued for a term of 60 days or less and "you" were notified when the policy was issued that it would not be renewed;
- 5) "you" request a change in "terms" or hazards covered within 60 days of the end of the policy period; or
- 6) in accordance with the requirements of this condition, "we" have made a written offer to renew the policy with changed "terms" or at a change to the rate on which the premium is based.

- g. If this policy covers a one- to four-family dwelling, and if in accordance with California law, "you" have designated an additional person to receive notice of the nonrenewal or cancellation of this policy for nonpayment of premium, "we" will give notice to such person at least 10 days before the nonrenewal or cancellation is effective. Such notice will be sent by first-class United States mail, postage prepaid, to the address provided by "you" within 10 days after the date on which the premium is due and unpaid.

Except as provided above, no person designated by "you" to receive notice of the nonrenewal or cancellation of this policy for nonpayment of premium has any rights, whether as an additional insured or otherwise, to any benefits under this policy.

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

**Conditional Renewal** – If "we" condition the renewal of this policy upon:

- a. a reduction in "limits";
- b. an elimination of coverage;
- c. an increase in deductibles; or
- d. a rate increase of more than 25%;

"we" will deliver or mail written notice to the producer of record and to "you", at the mailing address shown in the policy, at least 60 days, but not more than 120 days, before the end of the policy period. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent. Proof of delivery or mailing is sufficient proof of notice.