

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RHODE ISLAND CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- 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.** With respect to the:
 - Capital Assets Program (Output Policy) Coverage Part
 - Commercial Inland Marine Coverage Part
 - Commercial Property Coverage Part
 - Farm Property – Other Farm Provisions Form Additional Coverages, Conditions, Definitions
 - Farm – Livestock Coverage Form
 - Farm – Mobile Agricultural Machinery And Equipment Coverage Form;
 Paragraph **1.** of the **Cancellation** Common Policy Condition is replaced by the following:
 - 1.** The first Named Insured shown in the Declarations may cancel this policy by giving, mailing or delivering advance written notice of cancellation to us or to our agent who issued the policy.
- C.** With respect to all Coverage Parts and Policies addressed in this endorsement, the **Cancellation** Common Policy Condition is amended by replacing Paragraphs **2.**, **3.**, **5.** and **6.** with the following:
 - 2.** We may cancel this policy by giving, mailing or delivering to the first Named Insured and agent, if any, 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.
 If this policy has been in effect for 60 days or more, or if this is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:
 - a.** Nonpayment of premium;
 - b.** 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;

- c. Activities or omissions on your part which increase any hazard insured against, including a failure to comply with loss control recommendations;
 - d. Change in the risk which increases the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to regulation, legislation, or court decision;
 - e. Loss or decrease of our reinsurance covering all or part of the risk or exposure covered by the policy;
 - f. Determination by the Commissioner of Insurance that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of this state;
 - g. Owner or occupant incendiarism;
 - h. Violation or breach by you of any policy terms or conditions;
 - i. Constructive or actual total loss of the Covered Property; or
 - j. Such other reasons as may be approved by the Commissioner of Insurance.
3. We will give, mail or deliver written notice to the first Named Insured at the last address known to us, and to the agent, if any.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due.

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

The following provisions govern calculation of return premium:

- a. We will compute return premium pro rata and round to the next higher whole dollar when this policy is:
 - (1) Cancelled at our request;
 - (2) Cancelled because you no longer have a financial or insurable interest in the property or business operation that is the subject of insurance;
 - (3) Cancelled and rewritten by us or a member of our company group;
 - (4) Cancelled after the first year, if it is a prepaid policy written for a term of more than one year; or
 - (5) Cancelled by us at the request of a premium finance company upon default of the first Named Insured, when this policy is financed under a premium finance agreement.

- b. When this policy is cancelled at your request (except when Paragraph **a.(2)**, **a.(3)** or **a.(4)** applies), we will return 90% (75% for Equipment Breakdown policies) of the pro rata unearned premium, rounded to the next higher whole dollar. However, when such cancellation takes place during the first year of a multi-year prepaid policy, we will return the full annual premium for the subsequent years.

6. Proof of giving, mailing or delivering notice of cancellation will be sufficient proof of notice.

- D. With respect to all Coverage Parts and Policies addressed in this endorsement, the following is added to the **Cancellation** Common Policy Condition:

7. We will provide you with the reason or reasons for cancellation if:

- a. You request in writing a statement of the reasons for cancellation; and
- b. You agree in writing to hold us harmless from liability for any:

- (1) Communication giving notice of, or specifying the reasons for, cancellation; or

- (2) Statement made in connection with an attempt to discover or verify the existence of conditions which would be a reason for cancellation as provided under Paragraph **C.2**.

- E. With respect to all Coverage Parts and Policies addressed in this endorsement, the following is added and supersedes any provision to the contrary:

NONRENEWAL

1. If we elect not to renew this policy, we will give, mail or deliver to the first Named Insured and agent, if any, written notice of nonrenewal at least 60 days before:

- a. The expiration date of the policy; or
- b. An anniversary date of the policy, if the policy is written for a term longer than one year or with no fixed expiration date.

2. However, we need not give, mail or deliver this notice if:

- a. We have offered to issue a renewal policy; or
- b. The first Named Insured has obtained, or has agreed in writing to obtain, replacement coverage.

F. With respect to the:

Capital Assets Program (Output Policy) Coverage Part

Commercial Inland Marine Coverage Part

Commercial Property Coverage Part

Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions

Farm – Livestock Coverage Form

Farm – Mobile Agricultural Machinery And Equipment Coverage Form;

The following is added to the Common Policy Conditions:

If notice of cancellation or nonrenewal is mailed to the insured, we shall forward the notice of cancellation or nonrenewal to the last known address of the first Named Insured stated in the policy by first class mail and maintain proof of mailing by the United States Postal Service certificate of mailing. This proof of mailing will be sufficient proof of notice.

We will also give, mail or deliver written notice of cancellation, subject to **C.2.** above, and written notice of nonrenewal, subject to **E.1.** above, to any loss payee named in the policy. Mailing will be accomplished in accordance with the procedure stated in the above paragraph.

G. Under the **Mortgageholders** Condition, the paragraphs pertaining to cancellation and nonrenewal are replaced by the following:

1. If we cancel this policy, we will give, mail or deliver written notice to the mortgageholder at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
2. If we do not renew this policy, we will give, mail or deliver written notice to the mortgageholder at least 10 days before:
 - a. The expiration date of the policy; or
 - b. An anniversary date of the policy, if the policy is written for a term longer than one year or with no fixed expiration date.
3. If notice of cancellation or nonrenewal is mailed, we shall forward the notice of cancellation or nonrenewal to the last known address of the first Named Insured stated in the policy by first class mail and maintain proof of mailing by the United States Postal Service certificate of mailing. This proof of mailing will be sufficient proof of notice.