

## AMENDATORY ENDORSEMENT MARYLAND

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 mailing written notice to "you" at "your" last mailing address known to "us". Such notice may also be delivered by electronic means if "you" have affirmatively consented to that method of delivery and "we" have obtained such consent in accordance with Maryland law. Proof of mailing or delivery is sufficient proof of notice.
- c. If this policy has been in effect for 45 days or less, "we" may cancel by giving "you" notice:
- 1) at least 10 days before cancellation is effective, if cancellation is for nonpayment of premium; or
  - 2) at least 15 days before cancellation is effective, if cancellation is because the risk does not meet "our" underwriting standards.

If notice is mailed, it will be sent by a first-class mail tracking method. The notice will state the reason for cancellation.

- d. If this policy has been in effect for more than 45 days, or if it is a renewal of a policy issued by "us", "we" may cancel only if one or more of the following reasons apply:

- 1) nonpayment of premium;
- 2) there has been a material misrepresentation or fraud in connection with the application, policy, or presentation of a claim;
- 3) there has been a matter or issue related to the risk that constitutes a threat to public safety; or
- 4) there has been a change in the condition of the risk that has resulted in an increase in the hazard insured against.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least 10 days before cancellation is effective. If notice is mailed, it will be sent by a first-class mail tracking method.

If "we" cancel this policy for any reason other than nonpayment of premium, "we" will give "you" notice at least 45 days before cancellation is effective. If notice is mailed, it will be sent by a first-class mail tracking method or by a commercial mail delivery service. The notice will state the reason for cancellation.

Within 30 days of the date on which "we" give such notice, "you" may make a written request to "us" for additional information in support of "our" cancellation.

However, no notice of cancellation is required if "you" have replaced this insurance.

- e. If the premium was paid by a premium finance company, "we" will return to the premium finance company, from "your" account, any gross unearned premiums that are due, computed on a pro rata basis and excluding any expense constant, administrative fee, or any nonrefundable charge filed with and approved by the insurance commissioner. Such return premium will be refunded within a reasonable time that will not exceed 45 days after:

- 1) "our" receipt of a notice of cancellation from the premium finance company;
- 2) the date "we" cancel this policy; or
- 3) the completion of any payroll audit necessary to determine the amount of premium earned while this policy was in force.

This applies regardless of whether the policy is cancelled by "you", "us", or the premium finance company.

If the premium was not paid by a premium finance company, "your" return premium, if any, will be calculated on a pro rata basis and will be refunded at the time of cancellation or as soon as practicable.

In all cases, 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 45 days before the nonrenewal is effective.

If notice is mailed, it will be sent by a first-class mail tracking method or by a commercial mail delivery service.

If nonrenewal is for any reason other than nonpayment of premium, the notice will state the reason for nonrenewal.

Within 30 days of the date on which "we" give such notice, "you" may make a written request to "us" for additional information in support of "our" nonrenewal.

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

#### **Conditional Renewal**

- a. If "we" intend to renew this policy with an increase in premium, "we" will mail, by first-class mail, written notice to "you" and "your" agent, if any, at least 45 days before the renewal is effective. Such notice may also be delivered by electronic means if "you" have affirmatively consented to that method of delivery and "we" have obtained such consent in accordance with Maryland law.

However, the notice is not required if the premium increase results from:

- 1) an increase in exposure units;
- 2) the application of an experience rating plan;
- 3) the application of a retrospective rating plan;
- 4) a change made by an "insured" that increases "our" exposure; or
- 5) an audit of an "insured".

- b. If "we" intend to renew this policy with a reduction or elimination of coverage, a change in deductible, or an increase in "limits", "we" will mail, by first-class mail, written notice to "you" at least 45 days before the renewal is effective. Such notice may also be delivered by electronic means if "you" have affirmatively consented to that method of delivery and "we" have obtained such consent in accordance with Maryland law.

The notice will include a clear and specific description of each change in coverage which identifies the type of coverage that will be changed and the dollar amount of such change.

However, no notice is required if the change in coverage is requested by "you".

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

**Notice Of Recalculated Premium**

- a. If "we" discover a material risk factor during the 45-day underwriting period of this policy, but the risk continues to meet "our" underwriting standards, "we" will recalculate the premium for "your" policy based on such material risk factor.
- b. If "we" recalculate the premium for "your" policy as provided in a. above, "we" will give "you" written notice that states:
- 1) the amount of the recalculated premium;
  - 2) the reason for the change in the premium in accordance with c. below; and
  - 3) "your" right to cancel the policy and receive a pro-rata refund of any premium paid by notifying "us" of the termination.

- c. In stating the reason for the change in the premium, "we" will:

- 1) identify each material risk factor that was discovered during the 45-day underwriting period; and
- 2) with respect to each material risk factor, explain with specificity why the material risk factor required the premium to be recalculated.

- d. For purposes of this condition, material risk factor means a risk factor that:

- 1) was incorrectly recorded or not disclosed by "you" in the application for this policy;
- 2) was in existence on the date of such application; and
- 3) modifies the premium charged on the policy.

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