

## AMENDATORY ENDORSEMENT NORTH DAKOTA

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" written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy by mailing a written notice, by first class mail, to "your" last known address shown in the policy and to "your" agent of record. Proof of mailing is sufficient proof of notice.

If this policy has been in effect less than 90 days, "we" may cancel for any reason.

If this policy has been in effect 90 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel or not renew only at the anniversary unless:

  - a. at least 65% of the rental units in a covered building are unoccupied;
  - b. a covered building has been damaged by a peril insured against and "you" have stated that the damage will not be repaired or such time has elapsed as clearly indicates that the damage will not be repaired;
  - c. a covered building has been damaged by fire and permanent repairs have not begun within 60 days following satisfactory adjustment of the loss;
  - d. a covered building has been unoccupied for more than 60 days in a row. However, this does not apply to a covered building:
    - 1) intended for seasonal occupancy; or
    - 2) in the course of construction or repair which is properly secured against unauthorized entry;
  - e. a covered building is in danger of collapsing because of serious structural conditions;
  - f. a covered building is subject to extremely hazardous conditions not contemplated in "our" filed rating plan, such as a building that is in a state of disrepair as to be dilapidated;
  - g. there is an outstanding order to vacate or an outstanding demolition order on a covered building because of its physical condition;
  - h. a covered building has been declared unsafe in accordance with applicable law because of its physical condition;
  - i. fixed and salvageable items have been or are being removed from a covered building and "you" can give no reasonable explanation for the removal;
  - j. there is reasonable knowledge and belief that covered property is endangered and not reasonably protected from possible arson for the purpose of defrauding "us";
  - k. a covered building has been without heat, water, sewer service, or public lighting for more than 30 days in a row;
  - l. a covered building has a condition dangerous to life, health, or safety and "you" have not corrected the condition;
  - m. a covered building has not been maintained in accordance with applicable law;
  - n. "you" have failed to pay property taxes on covered property for more than one year;
  - o. a covered building has a characteristic of ownership, occupancy, or maintenance which is in violation of law or public policy;

- p. the premium has not been paid when due;
- q. "we" discover misrepresentation or fraud by "you" or with "your" knowledge in obtaining the policy or in pursuing a claim under the policy;
- r. "we" discover actions by "you" that have substantially increased or substantially changed the risk insured;
- s. "you" have refused to eliminate known conditions that increase the potential for loss after "we" notified "you" that the condition must be removed;
- t. "we" discover a substantial change in the risk assumed, except to the extent that "we" should reasonably have foreseen the change or contemplated the risk in writing the contract;
- u. "we" have lost reinsurance which provided coverage for a significant amount of the underlying risk insured;
- v. the insurance commissioner has determined that the continuation of the policy could place "us" in violation of the insurance laws of this state;
- w. "you" have not paid dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance; except failure to pay dues does not apply to persons who are retired at 62 years of age or older or to any person who is disabled according to social security standards; or
- x. there has been a violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against.

If "we" cancel this policy for a reason specified in items a. through o. above, "we" will give "you" notice at least five days before cancellation is effective.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before cancellation is effective.

If this policy has been in effect for less than 90 days and "we" cancel for any other reason, "we" will give "you" notice at least ten days before cancellation is effective.

If this policy has been in effect for 90 days or more and "we" cancel for a reason specified in items q. through x., "we" will give "you" notice at least 30 days before cancellation is effective.

If "we" do not renew this policy or cancel at an annual anniversary, "we" will mail written notice to "you" and "your" agent of record at least 60 days before nonrenewal or anniversary cancellation is effective.

"Your" return premium, if any, will be refunded at the time of cancellation or within 30 days after the effective date of cancellation. Payment or tender of the unearned premium is not a condition of cancellation.

- 2. 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 any books and records that relate to this policy during the policy period. "We" may also perform such audits or examinations:

- a. within 180 days after the policy has expired for audits or examinations that involve premium due or to be refunded; or
- b. within three years after the policy has expired for any other reason "we" deem necessary.

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

**Renewal** -- If "we" offer to renew, or renew this policy with less favorable "terms" with respect to:

- a. the dollar amount of coverage;

b. deductibles; or

- c. rate increases in excess of 15%;

"we" will mail to "you" at "your" last address known to "us" and to "your" agent of record, notice of the new "terms" or rates at least ten days before the expiration date.

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