

**PROGRAM DIVISION  
BULLETIN**

**2002-15**

**August 14, 2002**

**Non-Renewal Notice**

**STATE: South Dakota**

**APPLICABILITY: Commercial Lines**

**Effective July 1, 2002, House Bill 1281 amended Insurance Code Section 58-1-14, increasing the advance notification requirement for non-renewal of commercial insurance policies from 30 to 60 days.**

On July 3, 2002, the South Dakota Director of Insurance issued Bulletin 2002-2 requiring immediate insurer action on commercial policies that have been non-renewed on or after July 1, 2002 with the previous 30 days requirement, and on commercial policies or endorsements that contain the 30 day non-renewal language.

- **Any insurer that gave only 30 days prior notice to non-renew a commercial policy on or after July 1, 2002, must immediately offer to reinstate the contract for another policy term.**
- **All insurers issuing commercial policies or endorsements containing the 30-day non-renewal language must immediately file with the Director of Insurance revised policies or endorsements showing the new required language. Commercial renewal policies, effective July 1, 2002 or later, must consist of either a filed and approved properly amended policy form or contain an endorsement providing the new 60 day notice requirement. Please note:**

**Insurance Services Office, Inc. (ISO) has filed and received approval for use of the endorsements listed below, effective July 1, 2002.**

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**LEXINGTON INSURANCE COMPANY**

**PROGRAM DIVISION**

200 State Street/11th Floor, Boston, MA 02109  
phone 617-330-1100 / fax 617-330-8595

- ◆ **IL 02 32 09 02** South Dakota Changes – Cancellation And Nonrenewal
- ◆ **BM 02 06 09 02** South Dakota Changes
- ◆ **BP 01 26 09 02** South Dakota Changes
- ◆ **CG 28 22 09 02** South Dakota Changes – Cancellation And Nonrenewal (OCP)
- ◆ **CG 28 63 09 02** South Dakota Changes – Cancellation And Nonrenewal (Railroad)
- ◆ **CM 02 07 09 02** South Dakota Changes
- ◆ **CP 01 19 09 02** South Dakota Changes
- ◆ **CR 02 08 09 02** South Dakota Changes
- ◆ **FP 01 40 09 02** South Dakota Changes

AIG Form to be attached for all AIG filed programs – SD 52168.

ISO Forms to be used for all others.

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## **LEXINGTON INSURANCE COMPANY**

### **PROGRAM DIVISION**

200 State Street/11th Floor, Boston, MA 02109  
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This endorsement, effective

forms a part of

Policy Number:

Issued to:

By:

### **SOUTH DAKOTA AMENDATORY ENDORSEMENT**

Wherever used in this endorsement: 1) "we", "us", "our", and "Insurer" mean the insurance company which issued this policy; and 2) "you", "your", "named Insured", "First Named Insured", and "Insured" mean the Named Corporation, Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

### **CANCELLATION/NONRENEWAL**

In consideration of the premium charged, it is hereby understood and agreed that the cancellation provision of this policy is amended as follows:

#### **CANCELLATION**

If a policy has been in effect for sixty (60) days or more, the Insurer may cancel this policy only if one or more of the following reasons apply:

- a) Nonpayment of premium;
- b) Discovery of fraud or material misrepresentation made by or with the knowledge of the Insured or Other Insured(s) in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- c) Discovery of acts or omissions on the part of the Insured or Other Insured(s) which increase any hazard insured against;
- d) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
- e) 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;
- f) A determination by the director of the division of insurance that the continuation of the policy would jeopardize the Insurer's solvency or would place the Insurer in violation of the insurance laws of this state;
- g) Violation or breach by the Insured or Other Insured(s) of any policy terms or conditions; or
- h) Such other reasons as are approved by the director of the division of insurance.

The Insurer will give the named Insured written notice of cancellation at least twenty (20) days before the effective cancellation date. The notice of cancellation will be accompanied by the reason for cancellation.

**NONRENEWAL**

If the Insurer decides not to renew this policy, the Insurer will mail or deliver to the named Insured a notice of nonrenewal at least sixty (60) days before the end of the policy period.

All other terms, conditions and exclusions shall remain unchanged.

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AUTHORIZED REPRESENTATIVE