

NEW MEXICO CANCELLATION AND NONRENEWAL ENDORSEMENT

This endorsement, effective _____ forms a part of

policy no.: _____ issued to

by:

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.

A. CANCELLATION

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. If this policy has been in effect for less than 60 days, we may cancel for any reason by mailing or delivering to the First Named Insured written notice of cancellation at least 10 days before the effective date of cancellation.
3. If this policy has been in effect for 60 days or more, we may cancel only for one or more of the following reasons:
 - a) Nonpayment of premium.
 - b) There has been a substantial change in the risk assumed by us since the policy was issued.
 - c) The policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by us.
 - d) Willful and negligent acts or omission by the insured have substantially increased the hazards insured against.
 - e) You presented a claim based on fraud or material misrepresentation.
4. If we cancel subject to 3. above, we will mail or deliver to the First Named Insured written notice of cancellation at least:
 - a) 10 days before the effective date of cancellation, for the reason set forth in 3(a).
 - b) 30 days before the effective date of cancellation, for the reason set forth in 3(b).
 - c) 15 days before the effective date of cancellation, for a reason set forth in 3(c), 3(d) and 3(e).

The written notice will state the reason for cancellation, except that such statement may be omitted from a notice mailed to an additional insured or lienholder under this policy.

5. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.
6. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
7. If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the First Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
8. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. NONRENEWAL

We may nonrenew this policy by mailing or delivering a written notice of nonrenewal to you at least 30 days prior to the expiration date.

All other terms, conditions, and exclusions of this policy shall remain the same.

AUTHORIZED REPRESENTATIVE