

**NEW JERSEY
CANCELLATION/NONRENEWAL ENDORSEMENT
MEDICAL MALPRACTICE**

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.

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

1. Pursuant to New Jersey law, this policy cannot be canceled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel or nonrenew this policy are maintained by the insurer in writing and will be furnished to the insured and/or the insured's lawful representative upon written request.

This provision shall not apply to any policy which has been in effect for less than sixty (60) days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

2. If this policy has been in effect for less than sixty (60) days, we may cancel this policy by mailing or delivering to the first Named Insured and any person entitled to notice under this policy written notice of cancellation at least:

1. Ten (10) days before the effective date of cancellation if we cancel for:

- a. Nonpayment of premium; or

- b. Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f) as follows:

- (1) The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a "moral hazard"; and

- (2) The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or

circumstances of an individual, corporate partnership or other insured that will increase the probability of such a loss or liability may be considered a "moral hazard".

2. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.

3. Cancellation of Policies In Effect For Sixty (60) Days or More

If this policy has been in effect for sixty (60) days or more, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

1. Nonpayment of premium;
2. Existence of a moral hazard, as defined in N.J.A.C. 11:1-20(f);
3. Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;
4. Increase hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;
5. Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
6. Lack of cooperation from the insured on loss control matters materially affecting insurability of the risk;
7. Fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured;
8. Loss of or reduction in available insurance capacity;
9. Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
10. Loss of substantial changes in applicable reinsurance.
11. Failure by the insured to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within sixty (60) days of written notification of a violation of any such law, regulation or ordinance;
12. Failure by the insured to provide reasonable and necessary underwriting information to us upon written request therefore and a reasonable opportunity to respond;
13. Agency termination, provided:
 - a. We document that replacement coverage at comparable rates and terms has been provided to the first Named Insured, and we have informed the first Named Insured, in writing, of the right to continue coverage with us; or
 - b. We have informed the first Named Insured, in writing, of the right to continue coverage with us and the first Named Insured has agreed, in writing, to the cancellation or nonrenewal based on the termination of the first Named Insured's appointed agent.
14. Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.

If we cancel this policy based on paragraph C. (1) or (2) above, we will mail a written notice, stating the reason for cancellation, to the first Named Insured and any person entitled to notice under this policy, at least ten (10) days before the effective date of cancellation. For cancellation due to the nonpayment of premium, the notice will state

the effect of nonpayment by the due date. Cancellation for nonpayment of premium will not be effective if payment of the amount due is made before the effective date set forth in the notice. If we cancel this policy for any other reason listed above, we will mail a written notice, stating the reason for cancellation, to the first Named Insured and any person entitled to notice under this policy, not more than one hundred twenty (120) days nor less than thirty (30) days before the effective date of such cancellation.

Notice will be sent to the last mailing addresses known to us, by:

- (1) Certified Mail; or
- (2) First class mail, if we have obtained from the post office a date stamped proof of mailing showing names and addresses

We need not send notice of cancellation if you have:

- (1) Replaced coverage elsewhere; or
- (2) Specifically requested termination,

4. Nonrenewal

1. We may elect not to renew this policy for any reason permitted to cancel it. If we elect not to renew this policy, we will mail a notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured at least sixty (60) days but not more than one hundred twenty (120) days before the expiration date of this policy. If this policy does not have a fixed expiration date, it shall be deemed to expire annually on the anniversary of its inception.
2. This notice will be sent to the first Named Insured at the last mailing address known to us by:
 - a. Certified mail; or
 - b. First class mail, if we have obtained from the post office a date stamped proof of mailing showing the first Named Insured's name and address.
3. We need not mail or deliver this notice if you have:
 - a. Replaced coverage elsewhere; or
 - b. Specifically requested termination

All other policy terms, conditions and exclusions remain unchanged.

AUTHORIZED REPRESENTATIVE