

OREGON CANCELLATION/NON-RENEWAL AMENDATORY 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.

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

- (1) Except as provided by subsection (4), this policy may not be cancelled by the Insurer before the expiration of the policy, except on one or more of the following grounds:
 - (a) Nonpayment of premium;
 - (b) 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) Substantial increase in the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision;
 - (d) Failure to comply with reasonable loss control recommendations;
 - (e) Substantial breach of contractual duties, conditions or warranties;
 - (f) Determination by the director that the continuation of a line of insurance or class of business to which the policy belongs will jeopardize a company's solvency or will place the Insurer in violation of the insurance laws of Oregon or any other state;
 - (g) Loss or decrease in reinsurance covering the risk;
 - (h) Any other reason approved by the director by rule.
- (2) Cancellation of this policy will not be effective until ten (10) working days after the Insured receives written notice of cancellation. The notice shall state the effective date of and the reasons for cancellation and shall inform the Insured of the hearing rights established by ORS 742.704.

- (3) Notice of nonrenewal will be given to the Insured forty-five (45) days prior to the expiration date or anniversary date of the policy. If, after the Insurer provides a notice of nonrenewal as described above, and the Insurer then extends the policy ninety (90) days or less, an additional notice of nonrenewal will not be required with respect to the extension.
- (4) Subsections (1), (2) and (3) above do not apply to any insurance policy that has not been previously renewed if the policy has been in effect less than sixty (60) days at the time the notice of cancellation is mailed or delivered.
- (5) Subject to subsection (6) below, if the Insurer offers or purports to renew the policy, but on terms less favorable to the Insured or at higher rates, the new terms or rates may take effect on the renewal date, if the Insurer provides the Insured forty-five (45) days written notice. If the Insurer does not so notify the Insured, the Insured may cancel the renewal policy within forty-five (45) days after receipt of the notice or delivery of the renewal policy. Earned premium for the period of time the renewal policy was in force shall be calculated pro rata at the lower of the current or previous year's rate. If the Insured accepts the renewal, any premium increase or changes in terms shall be effective immediately following the prior policy's expiration date.
- (6) Subsection (5) does not apply if: (a) the change is a form, rate or plan filed with the Commissioner and applicable to the entire line of insurance or class of business to which the policy belongs; or (b) the form, rate and/or plan increase results from a classification change based on the altered nature or extent of the risk insured.
- (7) A post office certificate of mailing to the Insured at the Insured's last known address shall constitute conclusive proof that the named Insured received the notice of cancellation or nonrenewal on the third calendar day after the date of the certificate of mailing.

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

AUTHORIZED REPRESENTATIVE