

FORMS – APPROVED

JANUARY 9, 2020

COMMERCIAL LINES

LI-CL-2020-001

NEW YORK REVISED FOR HIRE AUTOS AND CANCELLATION ENDORSEMENTS APPROVED

KEY MESSAGE

The New York Department of Financial Services has approved revisions to the New York For Hire Autos and Cancellation endorsements under ISO Filing Designation CL-2019-OEND1.

BACKGROUND

In circular [LI-CL-2019-058](#), we announced that we had:

- Revised Paragraph **2.b.** of CA 01 02, New York Changes – For Hire Autos, by adding "property damage" to the \$1,500,000 combined single limit for vehicles engaged in the business of carrying or transporting passengers for hire with a seating capacity of eight or more passengers.
- Made editorial revisions to CA 01 02, New York Changes – For Hire Autos, CA 02 25, New York Changes – Cancellation, CU 02 14, New York Changes – Cancellation And Nonrenewal, CX 02 33, New York Changes – Cancellation And Nonrenewal, FB 02 17, New York Changes – Cancellation And Nonrenewal, and FE 02 46, New York Changes – Cancellation And Nonrenewal, to remove references to Paragraphs **(a)** and **(b)** of N.Y. VEH. & TRAFF. LAW § 370.
- Filed these revisions with the New York Department of Financial Services under ISO Filing Designation CL-2019-OEND1.

INSURANCE DEPARTMENT ACTION

The New York Department of Financial Services has approved ISO Filing Designation CL-2019-OEND1 as filed.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies written on or after June 1, 2020.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

The New York Insurance Department has requested that we include the following statement in our circulars:

"However, application of your manual rules, including the conditions for the use of any ISO forms referenced in this revision, must comply with all applicable provisions of New York law, including the fair and consistent implementation of those forms and rules that you intend to be subject to your discretion. Therefore, a separate manual rule filing may be required."

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the New York State Insurance Department on this revision, you should refer to the ISO Filing Designation Number [CL-2019-OEND1](#) and the Department File Number R2019004284, NOT this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- New edition dates of existing form numbers are being introduced.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2019-057](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Portfolioholders with an edition date of 6-20 (or the earliest possible subsequent date), along with any new and/or revised forms.

RELATED RULES REVISION

We are announcing in a separate circular the implementation of a corresponding rules revision. Please refer to the Reference(s) block for identification of that circular.

REFERENCE(S)

- [LI-CA-2020-005](#) (01/09/2020) New York Revised Forms Portfolio Reference Rule Approved
- [LI-CL-2019-058](#) (12/13/2019) New York Revised For Hire Autos And Cancellation Endorsements Filed
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Final copies of New York endorsements

COPYRIGHT EXPLANATION

The material distributed by Insurance Services Office, Inc. is copyrighted. All rights reserved. Possession of these pages does not confer the right to print, reprint, publish, copy, sell, file, or use same in any manner without the written permission of the copyright owner. Permission is hereby granted to members, subscribers, and service purchasers to reprint, copy, or otherwise use the enclosed material for purposes of their own business use relating to that territory or line or kind of insurance, or subdivision thereof, for which they participate, provided that:

- (A) Where ISO copyrighted material is reprinted, copied, or otherwise used **as a whole**, it must reflect the copyright notice actually shown on such material.
- (B) Where ISO copyrighted material is reprinted, copied, or otherwise used **in part**, the following credit legend must appear at the bottom of each page so used:
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:
John Papa
Compliance and Product Services – Auto
201-469-2909
John.Papa@verisk.com
- Other issues for this circular, please contact Customer Support:
E-mail: info@verisk.com
Phone: 800-888-4476

Callers outside the United States, Canada, and the Caribbean may contact us using our global toll-free number (International Access Code + 800 48977489). For information on all ISO products, visit us at www.verisk.com/iso. To keep abreast of the latest Insurance Lines Services updates, view www.verisk.com/ils.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – FOR HIRE AUTOS

For a covered "auto" subject to the provisions of Section 370 of the New York Vehicle and Traffic Law that is licensed or principally garaged in New York, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following is added to Paragraph **C. Limit Of Insurance of Section II – Covered Autos Liability Coverages:**

1. If the insurance provided by this Policy covers "autos" subject to the provisions of Section 370 of the New York Vehicle and Traffic Law, we will apply the limit shown in the Declarations to first provide the separate limits required by the New York Motor Vehicle Safety Responsibility Act as follows:
 - a. \$25,000 for "bodily injury" to any one person caused by any one "accident";
 - b. \$50,000 for "bodily injury" to two or more persons caused by any one "accident"; and
 - c. \$10,000 for "property damage" caused by any one "accident".
2. Our minimum liability for damages for and incident to death or injuries to persons is based upon the seating capacity for passengers of the covered "auto" described as set forth below:
 - a. For each "auto" engaged in the business of carrying or transporting passengers for hire having a seating capacity of not more than seven passengers:
 - (1) \$25,000 for a judgment or judgments for damages, including damages for care and loss of services, because of "bodily injury" to any one person in any one "accident".
 - (2) \$50,000 for a judgment or judgments for damages, including damages for care and loss of services because of "bodily injury" to two or more persons in any one "accident", upon claims arising out of the same transactions connected with the same subject of action, to be apportioned ratably among the judgment creditors according to the amount of the prospective judgments.
 - (3) \$50,000 for a judgment or judgments for damages because of death of any one person in any one "accident".
 - (4) \$100,000 for a judgment or judgments for damages because of death of two or more persons in any one "accident", upon claims arising out of the same transactions connected with the same subject of action, to be apportioned ratably among the judgment creditors according to the amount of their respective judgments.
 - b. For each "auto" engaged in the business of carrying or transporting passengers for hire having a seating capacity of eight or more passengers, a combined single limit of at least \$1,500,000 for:
 - (1) "Bodily injury" or death to one or more persons caused by any one "accident"; and
 - (2) "Property damage" caused by any one "accident".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CANCELLATION

For a covered "auto" licensed or principally garaged in, or for "auto dealer operations" conducted in, New York, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- I. If you are an individual and a covered "auto" you own is predominantly used for nonbusiness purposes, the **Cancellation** Common Policy Condition does not apply. The following condition applies instead:
Ending This Policy
 - A. **Cancellation**
 1. You may cancel the entire Policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
 2. When this Policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel the entire Policy for any reason provided we mail you notice within this period. If we cancel for nonpayment of premium, we will mail you at least 15 days' notice and such notice of cancellation on this ground shall inform the first Named Insured of the amount due. Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation. If we cancel for any other reason, we will mail you at least 20 days' notice.
3. When this Policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel it or any insurance deemed severable only for one or more of the following reasons:
 - a. Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due. If we cancel for this reason, we will mail you at least 15 days' notice. Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation.
 - b. Your driver's license or that of a driver who lives with you or customarily uses the covered "auto" has been suspended or revoked during the policy period, other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the New York Vehicle and Traffic Law, or one or more administrative suspensions arising out of the same incident which has or have been terminated prior to the effective date of cancellation. If we cancel for this reason, we will mail you at least 20 days' notice.

- c. We replace this Policy with another one providing similar coverages and the same limits for a covered "auto" of the private passenger type. The replacement policy will take effect when this Policy is cancelled, and will end a year after this Policy begins or on this Policy's expiration date, whichever is earlier.
- d. This Policy has been written for a period of more than one year or without a fixed expiration date. We may cancel for this reason, subject to New York Laws, only at an anniversary of its original effective date. If we cancel for this reason, we will mail you at least 45 but not more than 60 days' notice.
- e. This Policy was obtained through fraud or material misrepresentation. If we cancel for this reason, we will mail you at least 20 days' notice.
- f. Any "insured" made a fraudulent claim. If we cancel for this reason, we will mail you at least 20 days' notice.

If one of the reasons listed in this Paragraph 3. exists, we may cancel the entire Policy.

- 4. Instead of cancellation, we may condition continuation of this Policy on a reduction of Covered Autos Liability Coverage or elimination of any other coverage. If we do this, we will mail you notice at least 20 days before the date of the change.
- 5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- 6. If this Policy is cancelled, we will send you any premium refund due. The refund will be pro rata.

However, when the premium is advanced under a premium finance agreement, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. Nonrenewal

- 1. If this Policy is written for a period of less than one year and we decide, subject to New York Laws, not to renew or continue it, or to condition renewal or continuation on a reduction of Covered Autos Liability Coverage or elimination of any other coverage, we will mail or deliver to you written notice at least 45 but not more than 60 days before the end of the policy period.
- 2. We will have the right not to renew or continue a particular coverage, subject to New York Laws, only at the end of each 12-month period following the effective date of the first of the successive policy periods in which the coverage was provided.
- 3. We do not have to mail notice of nonrenewal if you, your agent or broker or another insurance company informs us in writing that you have replaced this Policy or that you no longer want it.

C. Mailing Of Notices

We will mail or deliver our notice of cancellation, reduction of limits, elimination of coverage or nonrenewal to the address shown on the Policy. However, we may deliver any notice instead of mailing it. If notice is mailed, a United States Postal Service certificate of mailing will be sufficient proof of notice.

- II. For all policies other than those specified in Section I., the **Cancellation** Common Policy Condition is completely replaced by the following:

Ending This Policy

A. Cancellation

- 1. The first Named Insured shown in the Declarations may cancel the entire Policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
- 2. When this Policy is in effect 60 days or less and is not a renewal or continuation policy, we may cancel the entire Policy by mailing to the first Named Insured written notice at least 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph 3. below. We will provide the first Named Insured with 20 days' written notice if we cancel for any other reason.

3. When this Policy is in effect more than 60 days or is a renewal or continuation policy, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:
 - a. Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
 - b. Conviction of a crime arising out of acts increasing the hazard insured against;
 - c. Discovery of fraud or material misrepresentation in the obtaining of the Policy or in the presentation of a claim thereunder;
 - d. After issuance of the Policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
 - e. Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the Policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the Policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the Policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the Policy was issued or last renewed;
 - f. Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;
 - g. A determination by the Superintendent that the continuation of the Policy would violate, or would place us in violation of, any provision of the Insurance Code;
 - h. Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the "insured" will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. However, if we cancel for this reason, the first Named Insured may make a written request to the Department of Financial Services, within 10 days of receipt of this notice, to review our cancellation decision. We will also send a copy of this notice, simultaneously, to the Department of Financial Services; or
 - i. Suspension or revocation during the required policy period of the driver's license of any person who continues to operate a covered "auto", other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the New York Vehicle and Traffic Law or one or more administrative suspensions arising from the same incident which has or have been terminated prior to the effective date of cancellation.
4. Regardless of the number of days this Policy has been in effect, if:
 - a. This Policy covers "autos" subject to the provisions of Section 370 of the New York Vehicle and Traffic Law; and
 - b. The Commissioner of the Department of Motor Vehicles deems this Policy to be insufficient for any reason;

we may cancel this Policy by giving you notice of such insufficiency 45 days before the effective date of cancellation to permit you to replace this Policy.
5. If this Policy is cancelled, we will send the first Named Insured any premium refund due. The refund will be pro rata.

However, when the premium is advanced under a premium finance agreement, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

6. The effective date of cancellation stated in the notice shall become the end of the policy period.
7. Notice will include the reason for cancellation. We will mail or deliver our notice to the first Named Insured at the address shown in the Policy and to the authorized agent or broker. However, we may deliver any notice instead of mailing it. Proof of mailing will be sufficient proof of notice.

B. Notices Of Nonrenewal And Conditional Renewal

1. If we decide not to renew or continue this Policy, we will send notice as provided in Paragraph 3. below.
2. If we conditionally renew this Policy upon:
 - a. A change of limits;
 - b. A change in type of coverage;
 - c. A reduction of coverage;
 - d. An increased deductible;
 - e. An addition of exclusion; or
 - f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added; or as a result of experience rating, retrospective rating or audit;
 we will send notice as provided in Paragraph 3. below.
3. If we decide not to renew or continue this Policy, or to conditionally renew this Policy as provided in Paragraphs 1. and 2. above, we will mail the first Named Insured notice at least 60 but not more than 120 days before the end of the policy period. If the policy period is other than one year, we will have the right not to renew or continue it only at an anniversary of its original effective date.
4. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that you have replaced this Policy or no longer want it.

5. Any notice of nonrenewal or conditional renewal will be mailed to the first Named Insured at the address shown in the Policy and to the authorized agent or broker. However, we may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
6. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase, and description of any other changes.
7. If we violate any of the provisions of Paragraph 3., 5. or 6. above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:
 - a. And if notice is provided prior to the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel.
 - b. And if the notice is provided on or after the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.
8. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
 - a. Upon expiration of the 60-day period, unless Subparagraph b. below applies; or
 - b. Notwithstanding the provisions in Paragraphs 7.a. and 7.b., as of the renewal date of the Policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the Policy.

C. With respect to the Auto Dealers Coverage Form:

1. Paragraph **F.6. Limits Of Insurance – General Liability Coverages** of **Section II – General Liability Coverages** and Paragraph **E.4. Limit Of Insurance And Deductible** of **Section III – Acts, Errors Or Omissions Liability Coverages** are amended as follows:

- a. The Aggregate Limits Of Insurance for General Liability Coverages and the "Acts, Errors Or Omissions" Liability Aggregate Limit shown in the Declarations will be increased in proportion to any policy extension provided in accordance with **Section II, Paragraph B.7.** of this endorsement.
- b. The last sentence of Paragraphs **F.6.** and **E.4.** does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.

2. If the Limited Product Withdrawal Expense Endorsement is attached, then Paragraph **B.2.** is amended as follows:

- a. The Product Withdrawal Aggregate Limit shown in the Schedule will be increased in proportion to any policy extension provided in accordance with **Section II, Paragraph B.7.** of this endorsement.
- b. The last sentence of Paragraph **B.2.** does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

- I. If you are an individual and a "covered auto" you own is predominantly used for nonbusiness purposes, the **Cancellation** Common Policy Condition is replaced by the following:

Ending This Policy

A. Cancellation

1. You may cancel the entire policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
2. When this Policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel the entire policy for any reason, provided we mail you notice within this period. If we cancel for nonpayment of premium, we will:
 - a. Mail you at least 15 days' notice; and
 - b. Inform you of the amount due.Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation. If we cancel for any other reason, we will mail you at least 20 days' notice.
3. When this Policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel it or any insurance deemed severable only for one or more of the following reasons:
 - a. Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform you of the amount due. If we cancel for this reason, we will mail you at least 15 days' notice. Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation.

- b. Your driver's license or that of a driver who lives with you or customarily uses the "covered auto" has been suspended or revoked during the policy period, other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the Vehicle and Traffic Law, or one or more administrative suspensions arising out of the same incident which has or have been terminated prior to the effective date of cancellation. If we cancel for this reason, we will mail you at least 20 days' notice.
- c. We replace this Policy with another one providing similar coverages and the same limits for a "covered auto" of the private passenger type. The replacement policy will take effect when this Policy is cancelled, and will end a year after this Policy begins or on this Policy's expiration date, whichever is earlier. This paragraph applies only to renewal policies.
- d. This Policy was obtained through fraud or material misrepresentation. If we cancel for this reason, we will mail you at least 20 days' notice.
- e. Any insured made a fraudulent claim. If we cancel for this reason, we will mail you at least 20 days' notice.

If one of the reasons listed in this Paragraph 3. exists, we may cancel the entire policy.

For policies written for a period of more than one year or without a fixed expiration date, we may cancel for the reasons in Paragraphs a. through e. above, subject to New York Laws, only at an anniversary of its original effective date. If we cancel such a policy, we will mail you at least 45 but not more than 60 days' notice.

4. Instead of cancellation, we may condition continuation of this Policy on a change of limits or elimination of any other coverage not required by law. If we do this, we will mail you notice at least 20 days before the date of the change.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this Policy is cancelled, we will send you any premium refund due. The refund will be pro rata.

However, when the premium is advanced under a premium finance agreement, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. Nonrenewal

1. If this Policy is written for a period of less than one year and we decide, subject to New York Laws, not to renew or continue it, or to condition renewal or continuation on a reduction of Liability Coverage or elimination of any other coverage, we will mail or deliver to you written notice at least 45 but not more than 60 days before the end of the policy period.
2. We will have the right not to renew or continue a particular coverage, subject to New York Laws, only at the end of each 12-month period following the effective date of the first of the successive policy periods in which the coverage was provided.
3. We do not have to mail notice of non-renewal if you, your agent or broker or another insurance company informs us in writing that you have replaced this Policy or that you no longer want it.

C. Mailing Of Notices

We will mail or deliver our notice of cancellation, reduction of limits, elimination of coverage or nonrenewal to the address shown on the Policy. However, we may deliver any notice instead of mailing it. If notice is mailed, a United States Postal Service certificate of mailing will be sufficient proof of notice.

- II. For all policies other than those specified in Section I., the **Cancellation** Common Policy Condition is completely replaced by the following:

A. Paragraphs 1., 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

2. Cancellation Of Policies In Effect

a. 60 Days Or Less

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph **A.2.a.(3)** or Paragraph **A.2.b.** below.
- (2) 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph **A.2.b.** below.
- (3) 20 days before the effective date of cancellation if we cancel because one or more underlying policies providing primary or intermediate coverage were cancelled where:
 - (a) Such cancellation is based upon Paragraphs **A.2.b.(1)** through **A.2.b.(8)** below; and
 - (b) Such policies are not replaced without lapse.

b. For More Than 60 Days

If this Policy has been in effect for more than 60 days, or if this Policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:

- (1) Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;

- (2) Conviction of a crime arising out of acts increasing the hazard insured against;
- (3) Discovery of fraud or material misrepresentation in the obtaining of the Policy or in the presentation of a claim;
- (4) After issuance of the Policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
- (5) Material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the Policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the Policy was issued or last renewed;
- (6) Cancellation is required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;
- (7) A determination by the Superintendent that the continuation of the Policy would violate, or would place us in violation of, any provision of the Insurance Code;
- (8) Suspension or revocation during the required policy period of the driver's license of any person who continues to operate a "covered auto", other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the Vehicle and Traffic Law or one or more administrative suspensions arising from the same incident which has or have been terminated prior to the effective date of cancellation; or
- (9) Cancellation of one or more of the underlying policies providing primary or intermediate coverage where:
 - (a) Such cancellation is based upon Paragraphs (1) through (8) of this Paragraph A.2.b.; and

(b) Such policies are not replaced without lapse.

- 3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the Policy and to the authorized agent or broker.
- 5. 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.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the Cancellation Common Policy Condition:

- 7. Regardless of the number of days this Policy has been in effect, if:
 - a. This Policy covers "autos" subject to the provisions of Section 370 of the New York Vehicle and Traffic Law; and
 - b. The Commissioner of the Department of Motor Vehicles deems this Policy to be insufficient for any reason;
 we may cancel this Policy by giving you notice of such insufficiency 45 days before the effective date of cancellation to permit you to replace this Policy.
- 8. The effective date of cancellation stated in the notice shall become the end of the policy period.
- 9. Notice will include the reason for cancellation. We will mail or deliver our notice to the first Named Insured at the address shown in the Policy and to the authorized agent or broker. However, we may deliver any notice instead of mailing it. Proof of mailing will be sufficient proof of notice.

C. The following Conditions are added:

1. Nonrenewal

If we decide not to renew this Policy, we will send notice as provided in Paragraph C.3. below.

2. Conditional Renewal

If we conditionally renew this Policy subject to:

- a. A change of limits;
- b. A change in type of coverage;
- c. A reduction of coverage;
- d. An increased deductible;
- e. An addition of exclusion; or
- f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph **C.3.** below.

We may conditionally renew this Policy subject to the requirements stipulated by the Maintenance Of Underlying Insurance condition of Section **IV** – Conditions. In the event of failure to comply with the aforementioned condition as of the expiration date of the Policy, or 60 days after mailing or delivering the notice of conditional renewal, the conditional renewal shall be deemed to be an effective notice of nonrenewal.

3. Notices Of Nonrenewal And Conditional Renewal

- a. If we decide not to renew this Policy or to conditionally renew this Policy as provided in Paragraphs **C.1.** and **C.2.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 30 but not more than 120 days before:
 - (1) The expiration date; or
 - (2) The anniversary date if this is a continuous policy.
- b. Notice will be mailed or delivered to the first Named Insured at the address shown in the Policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
- c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- d. If we violate any of the provisions of Paragraph **C.3.a.**, **b.** or **c.** above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:

- (1) And if notice is provided prior to the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel;
- (2) And if the notice is provided on or after the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.

- e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:

- (1) Upon expiration of the 60-day period, unless Subparagraph **(2)** below applies; or
- (2) Notwithstanding the provisions in Paragraphs **d.(1)** and **d.(2)**, as of the renewal date of the Policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the Policy.

- f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the Policy has been replaced or is no longer desired.

- D. The aggregate limits of this Policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph **C.3.d.** above.

E. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.

III. Paragraph **10. When We Do Not Renew** of **Section IV – Conditions** does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

- A.** If you are an individual and a covered auto you own is predominantly used for nonbusiness purposes, Paragraph **5. Cancellation of Section III – Conditions** is replaced by the following:

Ending This Policy

1. Cancellation

- a.** You may cancel the entire policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
- b.** When this Policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel the entire policy for any reason, provided we mail you notice within this period. If we cancel for nonpayment of premium, we will:

- (1)** Mail you at least 15 days' notice; and
- (2)** Inform you of the amount due.

Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation. If we cancel for any other reason, we will mail you at least 20 days' notice.

- c.** When this Policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel it or any insurance deemed severable only for one or more of the following reasons:

- (1)** Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform you of the amount due. If we cancel for this reason, we will mail you at least 15 days' notice. Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation.

- (2)** Your driver's license or that of a driver who lives with you or customarily uses the covered auto has been suspended or revoked during the policy period, other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the Vehicle and Traffic Law, or one or more administrative suspensions arising out of the same incident which has or have been terminated prior to the effective date of cancellation. If we cancel for this reason, we will mail you at least 20 days' notice.

- (3)** We replace this Policy with another one providing similar coverages and the same limits for a covered auto of the private passenger type. The replacement policy will take effect when this Policy is cancelled, and will end a year after this Policy begins or on this Policy's expiration date, whichever is earlier. This paragraph applies only to renewal policies.

- (4)** This Policy was obtained through fraud or material misrepresentation. If we cancel for this reason, we will mail you at least 20 days' notice.

- (5)** Any insured made a fraudulent claim. If we cancel for this reason, we will mail you at least 20 days' notice.

If one of the reasons listed in this Paragraph **c.** exists, we may cancel the entire policy.

For policies written for a period of more than one year or without a fixed expiration date, we may cancel for the reasons in Paragraphs (1) through (5) above, subject to New York Laws, only at an anniversary of its original effective date. If we cancel such a policy, we will mail you at least 45 but not more than 60 days' notice.

- d. Instead of cancellation, we may condition continuation of this Policy on a change of limits or elimination of any other coverage not required by law. If we do this, we will mail you notice at least 20 days before the date of the change.
- e. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- f. If this Policy is cancelled, we will send you any premium refund due. The refund will be pro rata.

However, when the premium is advanced under a premium finance agreement, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

2. Nonrenewal

- a. If this Policy is written for a period of less than one year and we decide, subject to New York Laws, not to renew or continue it, or to condition renewal or continuation on a reduction of Liability Coverage or elimination of any other coverage, we will mail or deliver to you written notice at least 45 but not more than 60 days before the end of the policy period.
- b. We will have the right not to renew or continue a particular coverage, subject to New York Laws, only at the end of each 12-month period following the effective date of the first of the successive policy periods in which the coverage was provided.
- c. We do not have to mail notice of non-renewal if you, your agent or broker or another insurance company informs us in writing that you have replaced this Policy or that you no longer want it.

3. Mailing Of Notices

We will mail or deliver our notice of cancellation, reduction of limits, elimination of coverage or nonrenewal to the address shown on the Policy. However, we may deliver any notice instead of mailing it. If notice is mailed, a United States Postal Service certificate of mailing will be sufficient proof of notice.

- B. For all policies other than those specified in Paragraph A. of this endorsement, Paragraph 5. **Cancellation of Section III – Conditions** is revised as follows:

- 1. Paragraphs a., b., c. and e. of Paragraph 5. **Cancellation of Section III – Conditions** are replaced by the following:

- a. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

b. Cancellation Of Policies In Effect

(1) 60 Days Or Less

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (a) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph 1.b.(1)(c) or Paragraph 1.b.(2) below.
- (b) 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph (2) below.
- (c) 20 days before the effective date of cancellation if we cancel because one or more underlying policies providing primary or intermediate coverage were cancelled where:
 - (i) Such cancellation is based upon Paragraphs (2)(a) through (2)(h) below; and
 - (ii) Such policies are not replaced without lapse.

(2) For More Than 60 Days

If this Policy has been in effect for more than 60 days, or if this Policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:

- (a) Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
- (b) Conviction of a crime arising out of acts increasing the hazard insured against;
- (c) Discovery of fraud or material misrepresentation in the obtaining of the Policy or in the presentation of a claim;
- (d) After issuance of the Policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
- (e) Material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the Policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the Policy was issued or last renewed;
- (f) Cancellation is required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;
- (g) A determination by the Superintendent that the continuation of the Policy would violate, or would place us in violation of, any provision of the Insurance Code;

(h) Suspension or revocation during the required policy period of the driver's license of any person who continues to operate a covered auto, other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the Vehicle and Traffic Law or one or more administrative suspensions arising from the same incident which has or have been terminated prior to the effective date of cancellation; or

(i) Cancellation of one or more of the underlying policies providing primary or intermediate coverage where:

(i) Such cancellation is based upon Paragraphs (a) through (h) of this Paragraph (2); and

(ii) Such policies are not replaced without lapse.

c. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the Policy and to the authorized agent or broker.

e. 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.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

2. The following is added to Paragraph 5. Cancellation of Section III – Conditions:

a. Regardless of the number of days this Policy has been in effect, if:

(1) This Policy covers autos subject to the provisions of Section 370 of the Vehicle and Traffic Law; and

- (2) The Commissioner of the Department of Motor Vehicles deems this Policy to be insufficient for any reason;

we may cancel this Policy by giving you notice of such insufficiency 45 days before the effective date of cancellation to permit you to replace this Policy.

- b. The effective date of cancellation stated in the notice shall become the end of the policy period.
- c. Notice will include the reason for cancellation. We will mail or deliver our notice to the first Named Insured at the address shown in the Policy and to the authorized agent or broker. However, we may deliver any notice instead of mailing it. Proof of mailing will be sufficient proof of notice.

3. The following Conditions are added:

a. Nonrenewal

If we decide not to renew this Policy, we will send notice as provided in Paragraph **3.c.** below.

b. Conditional Renewal

If we conditionally renew this Policy subject to:

- (1) A change of limits;
- (2) A change in type of coverage;
- (3) A reduction of coverage;
- (4) An increased deductible;
- (5) An addition of exclusion; or
- (6) Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph **3.c.** below.

We may conditionally renew this Policy subject to the requirements stipulated by the Maintenance Of Underlying Insurance condition of Section **III** – Conditions. In the event of failure to comply with the aforementioned condition as of the expiration date of the Policy, or 60 days after mailing or delivering the notice of conditional renewal, the conditional renewal shall be deemed to be an effective notice of nonrenewal.

c. Notices Of Nonrenewal And Conditional Renewal

- (1) If we decide not to renew this Policy or to conditionally renew this Policy as provided in Paragraphs **3.a.** and **3.b.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 30 but not more than 120 days before:

- (a) The expiration date; or
- (b) The anniversary date if this is a continuous policy.

- (2) Notice will be mailed or delivered to the first Named Insured at the address shown in the Policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

- (3) Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- (4) If we violate any of the provisions of Paragraph **3.c.(1), (2)** or **(3)** above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:

- (a) And if notice is provided prior to the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel.

- (b) And if the notice is provided on or after the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.

- (5) If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
 - (a) Upon expiration of the 60-day period, unless Subparagraph (b) below applies; or
 - (b) Notwithstanding the provisions in Paragraphs (4)(a) and (4)(b), as of the renewal date of the Policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the Policy.
- (6) We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the Policy has been replaced or is no longer desired.
- 4. The aggregate limits of this Policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph **B.3.c.(4)** above.
- 5. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.
- C. Paragraph 13. **When We Do Not Renew** of **Section III – Conditions** does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

FARM UMBRELLA LIABILITY POLICY

- I. If you are an individual and a "covered auto" you own is predominantly used for non-"business" and non-"farming" purposes, the **Cancellation** Common Policy Condition is replaced by the following:

Ending This Policy

A. Cancellation

1. You may cancel the entire policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
2. When this Policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel the entire policy for any reason provided we mail you notice within this period. If we cancel for nonpayment of premium, we will:
 - a. Mail you at least 15 days' notice; and
 - b. Inform you of the amount due.Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation. If we cancel for any other reason, we will mail you at least 20 days' notice.
3. When this Policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel it or any insurance deemed severable only for one or more of the following reasons:
 - a. Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform you of the amount due. If we cancel for this reason we will mail you at least 15 days' notice. Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation.

- b. Your driver's license or that of a driver who lives with you or customarily uses the "covered auto" has been suspended or revoked during the policy period, other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the Vehicle and Traffic Law, or one or more administrative suspensions arising out of the same incident which has or have been terminated prior to the effective date of cancellation. If we cancel for this reason we will mail you at least 20 days' notice.
- c. We replace this Policy with another one providing similar coverages and the same limits for a "covered auto" of the private passenger type. The replacement policy will take effect when this Policy is cancelled, and will end a year after this Policy begins or on this Policy's expiration date, whichever is earlier. This paragraph applies only to renewal policies.
- d. This Policy was obtained through fraud or material misrepresentation. If we cancel for this reason, we will mail you at least 20 days' notice.
- e. Any "insured" made a fraudulent claim. If we cancel for this reason, we will mail you at least 20 days' notice.

If one of the reasons listed in this Paragraph 3. exists, we may cancel the entire policy.

For policies written for a period of more than one year or without a fixed expiration date, we may cancel for the reasons in Paragraphs a. through e. above, subject to New York Laws, only at an anniversary of its original effective date. If we cancel such a policy, we will mail you at least 45 but not more than 60 days' notice.

4. Instead of cancellation, we may condition continuation of this Policy on a change of limits or elimination of any other coverage not required by law. If we do this we will mail you notice at least 20 days before the date of the change.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this Policy is cancelled, we will send you any premium refund due. The refund will be pro rata.

However, when the premium is advanced under a premium finance agreement, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. Nonrenewal

1. If this Policy is written for a period of less than one year and we decide, subject to New York Laws, not to renew or continue it, or to condition renewal or continuation on a reduction of Liability Coverage or elimination of any other coverage, we will mail or deliver to you written notice at least 45 but not more than 60 days before the end of the policy period.
2. We will have the right not to renew or continue a particular coverage, subject to New York Laws, only at the end of each 12-month period following the effective date of the first of the successive policy periods in which the coverage was provided.
3. We do not have to mail notice of non-renewal if you, your agent or broker or another insurance company informs us in writing that you have replaced this Policy or that you no longer want it.

C. Mailing Of Notices

We will mail or deliver our notice of cancellation, reduction of limits, elimination of coverage or nonrenewal to the address shown on the Policy. However, we may deliver any notice instead of mailing it. If notice is mailed, a United States Postal Service certificate of mailing will be sufficient proof of notice.

- II. For all policies other than those specified in Section I., the **Cancellation** Common Policy Condition is completely replaced by the following:

A. The Cancellation Common Policy Condition is replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

2. Cancellation Of Policies In Effect

a. 60 Days Or Less

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph **A.2.a.(3)** or Paragraph **A.2.b.** below.
- (2) 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph **A.2.b.** below.
- (3) 20 days before the effective date of cancellation if we cancel because one or more underlying policies providing primary or intermediate coverage were cancelled where:
 - (a) Such cancellation is based upon Paragraphs **A.2.b.(1)** through **b.(8)** below; and
 - (b) Such policies are not replaced without lapse.

b. For More Than 60 Days

If this Policy has been in effect for more than 60 days, or if this Policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:

- (1) Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
- (2) Conviction of a crime arising out of acts increasing the hazard insured against;

- (3) Discovery of fraud or material misrepresentation in the obtaining of the Policy or in the presentation of a claim;
- (4) After issuance of the Policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
- (5) Material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the Policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the Policy was issued or last renewed;
- (6) Cancellation is required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;
- (7) A determination by the Superintendent that the continuation of the Policy would violate, or would place us in violation of, any provision of the Insurance Code;
- (8) Suspension or revocation during the required policy period of the driver's license of any person who continues to operate a "covered auto", other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the Vehicle and Traffic Law or one or more administrative suspensions arising from the same incident which has or have been terminated prior to the effective date of cancellation; or
- (9) Cancellation of one or more of the underlying policies providing primary or intermediate coverage where:
 - (a) Such cancellation is based upon Paragraphs (1) through (8) of this Paragraph A.2.b.; and

(b) Such policies are not replaced without lapse.

- 3. 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.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

- 4. Regardless of the number of days this Policy has been in effect, if:
 - a. This Policy covers "autos" subject to the provisions of Section 370 of the New York Vehicle and Traffic Law; and
 - b. The Commissioner of the Department of Motor Vehicles deems this Policy to be insufficient for any reason;

we may cancel this Policy by giving you notice of such insufficiency 45 days before the effective date of cancellation to permit you to replace this Policy.

- 5. The effective date of cancellation stated in the notice shall become the end of the policy period.
- 6. Notice will include the reason for cancellation. We will mail or deliver our notice to the first Named Insured at the address shown in the Policy and to the authorized agent or broker. However, we may deliver any notice instead of mailing it. Proof of mailing will be sufficient proof of notice.

B. The following Conditions are added:

1. Nonrenewal

If we decide not to renew this Policy we will send notice as provided in Paragraph B.3. below.

2. Conditional Renewal

If we conditionally renew this Policy subject to:

- a. A change of limits;

- b. A change in type of coverage;
- c. A reduction of coverage;
- d. An increased deductible;
- e. An addition of exclusion; or
- f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph **B.3.** below.

We may conditionally renew this Policy subject to the requirements stipulated by the Maintenance Of Underlying Insurance condition of **Section III – Conditions**. In the event of failure to comply with the aforementioned condition as of the expiration date of the Policy, or 60 days after mailing or delivering the notice of conditional renewal, the conditional renewal shall be deemed to be an effective notice of nonrenewal.

3. Notices Of Nonrenewal And Conditional Renewal

- a. If we decide not to renew this Policy or to conditionally renew this Policy as provided in Paragraphs **B.1.** and **B.2.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 30 but not more than 120 days before:
 - (1) The expiration date; or
 - (2) The anniversary date if this is a continuous policy.
- b. Notice will be mailed or delivered to the first Named Insured at the address shown in the Policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
- c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- d. If we violate any of the provisions of Paragraph **B.3.a.**, **b.** or **c.** above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:

- (1) And if notice is provided prior to the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel;
- (2) And if the notice is provided on or after the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.

- e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:

- (1) Upon expiration of the 60-day period, unless Subparagraph **(2)** below applies; or
- (2) Notwithstanding the provisions in Paragraphs **d.(1)** and **d.(2)**, as of the renewal date of the Policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the Policy.

- f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the Policy has been replaced or is no longer desired.

- C. The aggregate limits of this Policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph **B.3.d.** above.

- D. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

FARM EXCESS LIABILITY POLICY

- I. If you are an individual and a covered "auto" you own is predominantly used for non-"business" and non-"farming" purposes, Condition **15. Cancellation** under **Section III – Conditions** is replaced by the following:

Ending This Policy

A. Cancellation

1. You may cancel the entire policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
2. When this Policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel the entire policy for any reason, provided we mail you notice within this period. If we cancel for nonpayment of premium, we will:
 - a. Mail you at least 15 days' notice; and
 - b. Inform you of the amount due.Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation. If we cancel for any other reason, we will mail you at least 20 days' notice.
3. When this Policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel it or any insurance deemed severable only for one or more of the following reasons:
 - a. Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform you of the amount due. If we cancel for this reason, we will mail you at least 15 days' notice. Payment of premium will be considered on time if made within 15 days after we mail you notice of cancellation.

- b. Your driver's license or that of a driver who lives with you or customarily uses the covered "auto" has been suspended or revoked during the policy period, other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the Vehicle and Traffic Law, or one or more administrative suspensions arising out of the same incident which has or have been terminated prior to the effective date of cancellation. If we cancel for this reason, we will mail you at least 20 days' notice.
- c. We replace this Policy with another one providing similar coverages and the same limits for a covered "auto" of the private passenger type. The replacement policy will take effect when this Policy is cancelled, and will end a year after this Policy begins or on this Policy's expiration date, whichever is earlier. This paragraph applies only to renewal policies.
- d. This Policy was obtained through fraud or material misrepresentation. If we cancel for this reason, we will mail you at least 20 days' notice.
- e. Any "insured" made a fraudulent claim. If we cancel for this reason, we will mail you at least 20 days' notice.

If one of the reasons listed in this Paragraph 3. exists, we may cancel the entire policy.

For policies written for a period of more than one year or without a fixed expiration date, we may cancel for the reasons in Paragraphs a. through e. above, subject to New York Laws, only at an anniversary of its original effective date. If we cancel such a policy, we will mail you at least 45 but not more than 60 days' notice.

4. Instead of cancellation, we may condition continuation of this Policy on a change of limits or elimination of any other coverage not required by law. If we do this we will mail you notice at least 20 days before the date of the change.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this Policy is cancelled, we will send you any premium refund due. The refund will be pro rata.

However, when the premium is advanced under a premium finance agreement, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. Nonrenewal

1. If this Policy is written for a period of less than one year and we decide, subject to New York Laws, not to renew or continue it, or to condition renewal or continuation on a reduction of Liability Coverage or elimination of any other coverage, we will mail or deliver to you written notice at least 45 but not more than 60 days before the end of the policy period.
2. We will have the right not to renew or continue a particular coverage, subject to New York Laws, only at the end of each 12-month period following the effective date of the first of the successive policy periods in which the coverage was provided.
3. We do not have to mail notice of non-renewal if you, your agent or broker or another insurance company informs us in writing that you have replaced this Policy or that you no longer want it.

C. Mailing Of Notices

We will mail or deliver our notice of cancellation, reduction of limits, elimination of coverage or nonrenewal to the address shown on the Policy. However, we may deliver any notice instead of mailing it. If notice is mailed, a United States Postal Service certificate of mailing will be sufficient proof of notice.

- II. For all policies other than those specified in Section I. of this endorsement, Condition **15. Cancellation** under **Section III – Conditions** is completely replaced by the following:

A. The Cancellation Condition is replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

2. Cancellation Of Policies In Effect

a. 60 Days Or Less

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph **A.2.a.(3)** or Paragraph **A.2.b.** below.
- (2) 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph **A.2.b.** below.
- (3) 20 days before the effective date of cancellation if we cancel because one or more underlying policies providing primary or intermediate coverage were cancelled where:
 - (a) Such cancellation is based upon Paragraphs **A.2.b.(1)** through **b.(8)** below; and
 - (b) Such policies are not replaced without lapse.

b. For More Than 60 Days

If this Policy has been in effect for more than 60 days, or if this Policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:

- (1) Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;

- (2) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (3) Discovery of fraud or material misrepresentation in the obtaining of the Policy or in the presentation of a claim;
 - (4) After issuance of the Policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
 - (5) Material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the Policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the Policy was issued or last renewed;
 - (6) Cancellation is required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;
 - (7) A determination by the Superintendent that the continuation of the Policy would violate, or would place us in violation of, any provision of the Insurance Code;
 - (8) Suspension or revocation during the required policy period of the driver's license of any person who continues to operate a covered "auto", other than a suspension issued pursuant to Subdivision (1) of Section 510(b) of the Vehicle and Traffic Law or one or more administrative suspensions arising from the same incident which has or have been terminated prior to the effective date of cancellation; or
 - (9) Cancellation of one or more of the underlying policies providing primary or intermediate coverage where:
 - (a) Such cancellation is based upon Paragraphs (1) through (8) of this Paragraph A.2.b.; and
 - (b) Such policies are not replaced without lapse.
3. 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.
- However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
4. Regardless of the number of days this Policy has been in effect, if:
- a. This Policy covers "autos" subject to the provisions of Section 370 of the New York Vehicle and Traffic Law; and
 - b. The Commissioner of the Department of Motor Vehicles deems this Policy to be insufficient for any reason;
- we may cancel this Policy by giving you notice of such insufficiency 45 days before the effective date of cancellation to permit you to replace this Policy.
5. The effective date of cancellation stated in the notice shall become the end of the policy period.
6. Notice will include the reason for cancellation. We will mail or deliver our notice to the first Named Insured at the address shown in the Policy and to the authorized agent or broker. However, we may deliver any notice instead of mailing it. Proof of mailing will be sufficient proof of notice.
- B. The following conditions are added:**
- 1. Nonrenewal**
- If we decide not to renew this Policy, we will send notice as provided in Paragraph B.3. below.

2. Conditional Renewal

If we conditionally renew this Policy subject to:

- a. A change of limits;
- b. A change in type of coverage;
- c. A reduction of coverage;
- d. An addition of exclusion; or
- e. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph **B.3.** below.

We may conditionally renew this Policy subject to the requirements stipulated by the Maintenance Of Underlying Insurance Condition of **Section III – Conditions**. In the event of failure to comply with the aforementioned condition as of the expiration date of the Policy, or 60 days after mailing or delivering the notice of conditional renewal, the conditional renewal shall be deemed to be an effective notice of nonrenewal.

3. Notices Of Nonrenewal And Conditional Renewal

- a. If we decide not to renew this Policy or to conditionally renew this Policy as provided in Paragraphs **B.1.** and **B.2.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 30 but not more than 120 days before:

- (1) The expiration date; or
- (2) The anniversary date if this is a continuous policy.

- b. Notice will be mailed or delivered to the first Named Insured at the address shown in the Policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
- c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- d. If we violate any of the provisions of Paragraph **B.3.a.**, **b.** or **c.** above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:

- (1) And if notice is provided prior to the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel;
- (2) And if the notice is provided on or after the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.

- e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:

- (1) Upon expiration of the 60-day period, unless Subparagraph (2) below applies; or
- (2) Notwithstanding the provisions in Paragraphs **d.(1)** and **d.(2)**, as of the renewal date of the Policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the Policy.

- f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the Policy has been replaced or is no longer desired.

- C. The aggregate limits of this Policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph **B.3.d.** above.
- D. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.