

FORMS – AMENDED AND APPROVED

AUGUST 31, 2022

COMMERCIAL AUTOMOBILE

LI-CA-2022-212

MINNESOTA CHANGES – CANCELLATION AND NONRENEWAL ENDORSEMENT AMENDED AND APPROVED

KEY MESSAGE

We are announcing the approval of an Amendment to forms filing CA-2022-OCAN1 in response to correspondence received from the Minnesota Department of Commerce.

BACKGROUND

In circular [LI-CA-2022-108](#), we announced, in part, that we submitted forms filing CA-2022-OCAN1 to revise Paragraph A.1.c.(8) of CA 02 18, Minnesota Changes – Cancellation And Nonrenewal, to state, in part, that a covered "auto" used in carrying passengers for hire or compensation does not include a private passenger vehicle used by a "volunteer driver" and incorporated a definition of "volunteer driver".

Upon review of our filing, the Minnesota Department of Commerce generally requested that we revise the cancellation provision to more closely track with MINN. STAT. ANN. Section 169A.20.

ISO ACTION

In response to the Minnesota Department of Commerce, we have amended CA 02 18 by including a reference to Section 169A.20 under the Cancellation provisions.

INSURANCE DEPARTMENT ACTION

The Minnesota Department of Commerce has approved filing CA-2022-OCAN1 as amended.

EFFECTIVE DATE

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

We do not establish an effective date for Commercial Auto forms revisions in this state. Each insurer that elects to utilize this revision is responsible for determining its own effective date

COMPANY ACTION

ISO has not filed this revision on behalf of insurers.

You must independently determine what revision to make and when to make any revision effective. If you decide to use all or any part of our revision, you are NOT required to file anything with the Insurance Department.

You must document your files in case the Insurance Department wishes to review the information at a later date. In all internal correspondence on this revision, you should refer to ISO Filing Number CA-2022-OCAN1 and SERFF Tracking Number ISOF-133221614, 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:

- A new edition date of an existing form number is being introduced.

READABILITY REQUIREMENTS INFORMATION

ISO has certified that the revised endorsements in filing CA-2022-OCAN1 meet the minimum readability requirements specified under **MINN. STAT. §§ 72C.01 to 72C.13**.

We are providing you with the number of sentences, words and syllables for the applicable endorsement(s) as follows:

- [CA 02 18 11 22](#): Sentences 91, Words 1916, and Syllables 3211.

However, you should evaluate your own company's policies and forms as may be appropriate.

REVISION DISTRIBUTION

We will issue a Notice to Portfolioholders with an edition date of 1-23 (or the earliest possible subsequent date), along with any new and/or revised forms.

REFERENCE(S)

[LI-CA-2022-108](#) (04/21/2022) Minnesota Revised Changes – Cancellation And Nonrenewal Endorsement Filed

[ATTACHMENT\(S\)](#)

Filing [CA-2022-OCAN1](#)

Final Copy of [CA 02 18 11 22](#)

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We provide participating insurers with information concerning the jurisdictions for which our products and services are distributed. Even in those jurisdictions, each insurer must determine what filing requirements, if any, apply and whether those requirements have been satisfied.

Now, as in the past, all of our products and services are advisory, and are made available for optional use by participating insurers as a matter of individual choice. Your company must decide for itself which, if any, ISO products or services are needed or useful to its operation and how those selected for use should be applied. We urge that you be guided by the advice of your attorneys on the legal requirements.

CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:
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- Other issues for this circular, please contact Customer Support:
E-mail: info@verisk.com
Phone: 800-888-4476

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Minnesota Changes – Cancellation And Nonrenewal Endorsement Amended

About This Filing

This amendment is being made in response to correspondence received from the Minnesota Department of Commerce.

Amended Form

We are amending the following form:

- ◆ CA 02 18 Minnesota Changes – Cancellation And Nonrenewal

Revisions marked in the prior submission have been accepted.

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the prior submission.

Background

In filing CA-2022-OCAN1, we revised Paragraph A.1.c.(8) of CA 02 18, Minnesota Changes – Cancellation And Nonrenewal to state, in part, that a covered “auto” used in carrying passengers for hire or compensation does not include a private passenger vehicle used by a “volunteer driver”. Additionally, we incorporated a definition of “volunteer driver” in CA 02 18 in order to more closely track the provisions set forth in MINN. STAT. ANN. Sections 65B.15 subd. 1 and 65B. 472 subd. 1.

Upon review of our filing, the Minnesota Department of Commerce generally requested that we revise the cancellation provision to more closely track with MINN. STAT. ANN. Section 169A.20.

Explanation of Changes

In response to the Minnesota Department of Commerce request, we have amended CA 02 18 by including a reference to Section 169A.20 under the Cancellation provisions to state as follows:

Has had his or her driver's license suspended or revoked within the 36 months prior to the notice of cancelation because of a moving traffic violation or a refusal to be tested for ~~being under the influence of alcohol~~ driving while impaired pursuant to Section 169A.20 of the Minnesota Statutes;

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Insurance Services Office, Inc. (ISO) makes available advisory services to property/casualty insurers. ISO has no adherence requirements. ISO policy forms and explanatory materials are intended solely for the information and use of ISO's participating insurers and their representatives, and insurance regulators. Neither ISO's general explanations of policy intent nor opinions expressed by ISO's staff necessarily reflect every insurer's view or control any insurer's determination of coverage for a specific claim. ISO does not intercede in coverage disputes arising from insurance policies. If there is any conflict between a form and any other part of the attached material, the provisions of the form apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINNESOTA CHANGES – CANCELLATION AND NONRENEWAL

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.

A. If you are an individual and this policy covers fewer than five "autos" of the private passenger type not rated on a fleet basis; or this policy is a plan of reparation security insuring fewer than five "autos" rated on a commercial or fleet basis, the **Cancellation** Common Policy Condition does not apply. The following conditions apply instead:

1. Cancellation

a. The first Named Insured may cancel the policy by mailing or delivering to us advance written notice of cancellation.

b. Policies In Effect Less Than 60 Days

When this policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering written notice of cancellation to the first Named Insured:

- (1)** So as to be received at least 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2)** At least 30 days before the effective date of cancellation if we cancel for any other reason.

The notice of cancellation will state the reasons for cancellation. Information regarding moving traffic violations or motor vehicle accidents must be specifically requested on the application in order for us to cancel within the first 59 days of coverage for those incidents.

c. Policies In Effect 60 Days Or More

When this policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:

- (1)** Nonpayment of premium;
- (2)** This policy was obtained through a material misrepresentation;
- (3)** Any "insured" made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim;
- (4)** You failed to disclose fully your "auto" accidents and moving traffic violations for the preceding 36 months if called for in the written application for this policy;
- (5)** You failed to disclose in the written application any requested information necessary for the acceptance or proper rating of the risk;
- (6)** You knowingly failed to give any required notice of loss or notice of lawsuit commenced against you, or when requested, refused to cooperate in the investigation of a claim or defense of a lawsuit;

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(7) You or any driver who either lives with you or customarily uses a covered "auto":

- (a) Has had his or her driver's license suspended or revoked within the 36 months prior to the notice of cancellation because of a moving traffic violation or a refusal to be tested for being under the influence of alcohol driving while impaired pursuant to Section 169A.20 of the Minnesota Statutes;
- (b) Is or becomes subject to epilepsy or heart attacks and does not produce a physician's certificate stating that he or she can operate an "auto" safely;
- (c) Has an "accident" or conviction record, physical or mental condition, any one or all of which are such that his or her operation of an "auto" might endanger the public safety;
- (d) Has been convicted, or forfeited bail, during the 24 months immediately preceding the notice of cancellation for criminal negligence in the use or operation of an "auto", or assault arising out of the use of an "auto" or operating an "auto" while in an intoxicated condition or while under the influence of drugs; or leaving the scene of an "accident" without stopping to report; or making false statements in an application for a driver's license, or theft or unlawful taking of an "auto";
- (e) Has been convicted of, or forfeited bail for, one or more violations within the 18 months before the notice of cancellation, of any law, ordinance, or regulation which justify a revocation of a driver's license;

However, Subparagraphs (a) through (e) above do not apply with respect to any driver who either lives with you or customarily uses a covered "auto" if that driver is identified as a named insured in another coverage form or policy as an insured.

(8) A covered "auto" is:

- (a) So mechanically defective that its operation might endanger public safety; or

- (b) Used in carrying passengers for hire or compensation. This does not include car pools or a private passenger vehicle used by a "volunteer driver".

- (c) Used in the business of transporting flammables or explosives; or

- (d) An authorized emergency vehicle; or

- (e) Subject to an inspection law and has not been inspected or if inspected has failed to qualify within the period specified under such inspection law; or

- (f) Substantially changed in type or condition during the policy period, increasing the risk substantially, or so as to give clear evidence of a use other than the original use.

(9) We replace this policy with another one providing similar coverages and the same rates and limits for the covered "auto". 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.

If we cancel for any reason described in Paragraphs c.(1) through (9) above, we will give written notice of cancellation to the first Named Insured at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

- (2) 30 days before the effective date of cancellation if we cancel for any other reason described in Paragraphs c.(2) through c.(9).

The effective date of cancellation stated in the notice shall become the effective date of cancellation.

d. If this policy is cancelled, we will send the first Named Insured any premium refund due. Cancellation will be on a pro rata basis if the unearned premium is for a period of more than one month. If you request cancellation and the unearned premium is for a period of one month or less, the refund may be less than pro rata.

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If we cancel, cancellation will not become effective unless the premium refund due is returned to you with the notice of cancellation or is delivered or mailed to you so as to be received by you not later than the effective date of cancellation.

If you cancel, any premium refund due will be refunded within 30 days following our receipt of the request for cancellation.

- e. Proof of mailing of any notice shall be sufficient proof of notice.

2. Nonrenewal

- a. If we decide not to renew or continue this policy we will give the first Named Insured written notice of our intent not to renew at least 60 days before the end of the policy period. Such notice will be mailed or delivered to the first Named Insured at the last mailing address known to us. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- b. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.
- c. Proof of mailing of any notice shall be sufficient proof of notice.

B. For all other policies not described in Paragraph A. above, the **Cancellation** Common Policy Condition does not apply. The following Conditions apply instead:

1. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy, subject to the provisions of c. below, by first class mailing, or by delivery, of a written notice of cancellation to the first Named Insured and any agent, to their last mailing addresses known to us. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

c. Policies In Effect Less Than 90 Days

If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by giving notice at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation, if we cancel for any other reason.

d. Policies In Effect 90 Days Or More

If this policy has been in effect for 90 days or more, or if it is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Misrepresentation or fraud made by you or with your knowledge in obtaining the policy or in pursuing a claim under the policy;
- (3) An act or omission by you that substantially increases or changes the risk insured;
- (4) Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
- (5) Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
- (6) Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise the policyholder that he or she has 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal;

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- (7) A determination by the commissioner that the continuation of the policy could place us in violation of the Minnesota insurance laws; or
- (8) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance. This provision for cancellation for failure to pay dues shall not be applicable to persons who are retired at 62 years of age or older or who are disabled according to social security standards.

If we cancel for any reason described in Paragraphs **d.(1)** through **(8)** above, we will give notice at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium. The cancellation notice shall contain the information regarding the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation; or
- (2) 60 days before the effective date, if we cancel for any other reason described in Paragraphs **d.(2)** through **(8)** above. The notice of cancellation will state the reason for cancellation.

- 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. The cancellation will be effective even if we have not made or offered a refund.
- f. Proof of mailing of any notice shall be sufficient proof of notice.

2. Nonrenewal

If we decide not to renew or continue this policy, we will give the first Named Insured and any agent notice of our intent not to renew, at least 60 days before the expiration date. Such notice will be mailed or delivered to the first Named Insured and any agent at their last mailing addresses known to us.

We need not mail or deliver this notice if you have:

- a. Insured elsewhere;
- b. Accepted replacement coverage; or
- c. Agreed not to renew this policy.

Proof of mailing of any notice shall be sufficient proof of notice.

C. The following definition is added:

"Volunteer driver" means an individual who transports persons or goods on behalf of a nonprofit entity or governmental unit in a private passenger vehicle and receives no compensation for services provided other than the reimbursement of actual expenses.

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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.

A. If you are an individual and this policy covers fewer than five "autos" of the private passenger type not rated on a fleet basis; or this policy is a plan of reparation security insuring fewer than five "autos" rated on a commercial or fleet basis, the **Cancellation** Common Policy Condition does not apply. The following conditions apply instead:

1. Cancellation

a. The first Named Insured may cancel the policy by mailing or delivering to us advance written notice of cancellation.

b. Policies In Effect Less Than 60 Days

When this policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering written notice of cancellation to the first Named Insured:

- (1)** So as to be received at least 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2)** At least 30 days before the effective date of cancellation if we cancel for any other reason.

The notice of cancellation will state the reasons for cancellation. Information regarding moving traffic violations or motor vehicle accidents must be specifically requested on the application in order for us to cancel within the first 59 days of coverage for those incidents.

c. Policies In Effect 60 Days Or More

When this policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:

- (1)** Nonpayment of premium;
- (2)** This policy was obtained through a material misrepresentation;
- (3)** Any "insured" made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim;
- (4)** You failed to disclose fully your "auto" accidents and moving traffic violations for the preceding 36 months if called for in the written application for this policy;
- (5)** You failed to disclose in the written application any requested information necessary for the acceptance or proper rating of the risk;
- (6)** You knowingly failed to give any required notice of loss or notice of lawsuit commenced against you, or when requested, refused to cooperate in the investigation of a claim or defense of a lawsuit;

(7) You or any driver who either lives with you or customarily uses a covered "auto":

- (a) Has had his or her driver's license suspended or revoked within the 36 months prior to the notice of cancellation because of a moving traffic violation or a refusal to be tested for driving while impaired pursuant to Section 169A.20 of the Minnesota Statutes;
- (b) Is or becomes subject to epilepsy or heart attacks and does not produce a physician's certificate stating that he or she can operate an "auto" safely;
- (c) Has an "accident" or conviction record, physical or mental condition, any one or all of which are such that his or her operation of an "auto" might endanger the public safety;
- (d) Has been convicted, or forfeited bail, during the 24 months immediately preceding the notice of cancellation for criminal negligence in the use or operation of an "auto", or assault arising out of the use of an "auto" or operating an "auto" while in an intoxicated condition or while under the influence of drugs; or leaving the scene of an "accident" without stopping to report; or making false statements in an application for a driver's license, or theft or unlawful taking of an "auto";
- (e) Has been convicted of, or forfeited bail for, one or more violations within the 18 months before the notice of cancellation, of any law, ordinance, or regulation which justify a revocation of a driver's license;

However, Subparagraphs (a) through (e) above do not apply with respect to any driver who either lives with you or customarily uses a covered "auto" if that driver is identified as a named insured in another coverage form or policy as an insured.

(8) A covered "auto" is:

- (a) So mechanically defective that its operation might endanger public safety; or

- (b) Used in carrying passengers for hire or compensation. This does not include car pools or a private passenger vehicle used by a "volunteer driver".

- (c) Used in the business of transporting flammables or explosives; or

- (d) An authorized emergency vehicle; or

- (e) Subject to an inspection law and has not been inspected or if inspected has failed to qualify within the period specified under such inspection law; or

- (f) Substantially changed in type or condition during the policy period, increasing the risk substantially, or so as to give clear evidence of a use other than the original use.

(9) We replace this policy with another one providing similar coverages and the same rates and limits for the covered "auto". 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.

If we cancel for any reason described in Paragraphs c.(1) through (9) above, we will give written notice of cancellation to the first Named Insured at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason described in Paragraphs c.(2) through c.(9).

The effective date of cancellation stated in the notice shall become the effective date of cancellation.

d. If this policy is cancelled, we will send the first Named Insured any premium refund due. Cancellation will be on a pro rata basis if the unearned premium is for a period of more than one month. If you request cancellation and the unearned premium is for a period of one month or less, the refund may be less than pro rata.

If we cancel, cancellation will not become effective unless the premium refund due is returned to you with the notice of cancellation or is delivered or mailed to you so as to be received by you not later than the effective date of cancellation.

If you cancel, any premium refund due will be refunded within 30 days following our receipt of the request for cancellation.

- e. Proof of mailing of any notice shall be sufficient proof of notice.

2. Nonrenewal

- a. If we decide not to renew or continue this policy we will give the first Named Insured written notice of our intent not to renew at least 60 days before the end of the policy period. Such notice will be mailed or delivered to the first Named Insured at the last mailing address known to us. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- b. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.
- c. Proof of mailing of any notice shall be sufficient proof of notice.

B. For all other policies not described in Paragraph A. above, the **Cancellation** Common Policy Condition does not apply. The following Conditions apply instead:

1. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy, subject to the provisions of c. below, by first class mailing, or by delivery, of a written notice of cancellation to the first Named Insured and any agent, to their last mailing addresses known to us. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

c. Policies In Effect Less Than 90 Days

If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by giving notice at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation, if we cancel for any other reason.

d. Policies In Effect 90 Days Or More

If this policy has been in effect for 90 days or more, or if it is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Misrepresentation or fraud made by you or with your knowledge in obtaining the policy or in pursuing a claim under the policy;
- (3) An act or omission by you that substantially increases or changes the risk insured;
- (4) Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
- (5) Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
- (6) Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise the policyholder that he or she has 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal;

- (7) A determination by the commissioner that the continuation of the policy could place us in violation of the Minnesota insurance laws; or
- (8) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance. This provision for cancellation for failure to pay dues shall not be applicable to persons who are retired at 62 years of age or older or who are disabled according to social security standards.

If we cancel for any reason described in Paragraphs **d.(1)** through **(8)** above, we will give notice at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium. The cancellation notice shall contain the information regarding the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation; or
- (2) 60 days before the effective date, if we cancel for any other reason described in Paragraphs **d.(2)** through **(8)** above. The notice of cancellation will state the reason for cancellation.

- 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. The cancellation will be effective even if we have not made or offered a refund.
- f. Proof of mailing of any notice shall be sufficient proof of notice.

2. Nonrenewal

If we decide not to renew or continue this policy, we will give the first Named Insured and any agent notice of our intent not to renew, at least 60 days before the expiration date. Such notice will be mailed or delivered to the first Named Insured and any agent at their last mailing addresses known to us.

We need not mail or deliver this notice if you have:

- a. Insured elsewhere;
- b. Accepted replacement coverage; or
- c. Agreed not to renew this policy.

Proof of mailing of any notice shall be sufficient proof of notice.

C. The following definition is added:

"Volunteer driver" means an individual who transports persons or goods on behalf of a nonprofit entity or governmental unit in a private passenger vehicle and receives no compensation for services provided other than the reimbursement of actual expenses.