DELAWARE CHANGES – TERMINATION PROVISIONS

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This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. With respect to the:

Farm Property – Farm Dwellings, Appurtenant Structures and Household Personal Property Coverage Form;   
Commercial Property Coverage Part; and   
Capital Assets Program (Output Policy) Coverage Part;

if the policy covers a building that contains no more than four dwelling units, one of which is the insured's principal place of residence, or covers the insured's household personal property in a residential building, the following applies:

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

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation along with the reasons for cancellation at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. 30 days before the effective date of cancellation if we cancel for any other reason.

After coverage has been in effect for more than 60 days or after the effective date of a renewal of this policy, no notice of cancellation will be issued by us unless it is based on at least one of the following reasons:

(1) Nonpayment of premium;

(2) Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;

(3) Discovery of willful or reckless acts or omissions on your part that increase any hazard insured against;

(4) The occurrence of a change in the risk that substantially increases any hazard insured against after insurance coverage has been issued or renewed;

(5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any covered property or its occupancy that substantially increases any hazard insured against;

(6) A determination by the Insurance Commissioner that the continuation of the policy would place us in violation of the Delaware insurance laws; or

(7) Real property taxes owing on the insured property have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If we cancel this policy for a reason other than nonpayment of premium, the cancellation notice will be delivered by certified mail or by USPS Intelligent Mail barcode.

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2. The following Condition is added:

Nonrenewal

a. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 30 days before the expiration date, or the anniversary date if this is a policy written for a term of more than one year or with no fixed expiration date.

b. Any notice of nonrenewal will include the reason(s) for nonrenewal and will be mailed or delivered to the first Named Insured at the last mailing address known to us. If we decide not to renew this policy for a reason other than nonpayment of premium, the notice of nonrenewal will be delivered by certified mail or by USPS Intelligent Mail barcode.

c. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. If Cancellation Changes CP 02 99 is attached to the Commercial Property Coverage Part, Paragraph E.2. of that form is replaced by the following:

2. Pay property taxes that are owing and have been outstanding for more than two years following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

B. With respect to the:

Commercial General Liability Coverage Part;  
Commercial Property – Legal Liability Coverage Form;   
Commercial Property – Mortgageholders Errors And Omissions Coverage Form;   
Employment-Related Practices Liability Coverage Form;   
Farm Liability Coverage Form;   
Liquor Liability Coverage Part;   
Medical Professional Liability Coverage Part;   
Pollution Liability Coverage Part; and   
Products/Completed Operations Liability Coverage Part:

1. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:

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

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. 60, but not more than 120, days before the effective date of cancellation if we cancel for any other permissible reason.

2. The following Condition is added and supersedes any other condition to the contrary:

Nonrenewal

a. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60, but not more than 120, days before the expiration date, or the anniversary date if this is a policy written for a term of more than one year or with no fixed expiration date.

b. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us.