DELAWARE CHANGES

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This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Section II – Liability is amended as follows:

The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Delaware law.

B. Section III – Common Policy Conditions is amended as follows:

1. Paragraph A. Cancellation is amended as follows:

1. Paragraph 2. is replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured a 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. Paragraph 3. is replaced by the following:

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.

3. The following paragraph is added:

7. If this policy:

a. Has been in effect for more than 60 days or is a renewal of a policy we issued; and

b. Covers buildings that contain no more than four dwelling units, one of which is the principal place of residence of the insured;

we may cancel this policy only for one or more 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.

Notice of cancellation will state the specific reason for cancellation.

2. The following paragraph is added:

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M. Nonrenewal

1. If we decide not to renew this policy, we will mail or deliver to the first Named Insured written notice of nonrenewal, along with the reasons for nonrenewal, 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.

2. We will mail or deliver this notice to the first Named Insured's 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.