

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OREGON CHANGES-CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:
- 2.** If this policy has been in effect for:
 - a.** Fewer than 60 days and is not a renewal policy, we may cancel for any reason.
 - b.** 60 days or more or is a renewal policy, we may cancel only for one or more of the following reasons:
 - (1)** Nonpayment of premium;
 - (2)** 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)** Substantial increase in the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision;
 - (4)** Failure to comply with reasonable loss control recommendations;
 - (5)** Substantial breach of contractual duties, conditions or warranties;
 - (6)** Determination by the commissioner that the continuation of a line of insurance or class of business to which the policy belongs will jeopardize our solvency or will place us in violation of the insurance laws of Oregon or any other state; or
 - (7)** Loss or decrease in reinsurance covering the risk.
 - c.** 60 days or more or is a renewal policy, we may cancel for any other reason approved by the commissioner by rule, but only with respect to insurance provided under the following:
 - (1)** A package policy that includes commercial property and commercial liability insurance;
 - (2)** Commercial Automobile Coverage Part;
 - (3)** Commercial General Liability Coverage Part;
 - (4)** Commercial Property Coverage Part – Legal Liability Coverage Form;
 - (5)** Commercial Property Coverage Part – Mortgageholders Errors And Omissions Coverage Form;
 - (6)** Employment-related Practices Liability Coverage Part;
 - (7)** Farm Coverage Part – Farm Liability Coverage Form;
 - (8)** Liquor Liability Coverage Part;
 - (9)** Products/Completed Operations Liability Coverage Part; or
 - (10)** Medical Professional Liability Coverage Part.

- B.** Paragraph 3. of the Cancellation Common Policy Condition is amended by the addition of the following:
3. We will mail or deliver to the first Named Insured written notice of cancellation, stating the reason for cancellation.
- C.** The following is added to the Cancellation Common Policy Condition:
7. Number Of Days' Notice Of Cancellation:
 - a. With respect to insurance provided under **2.c.(1)** through **(10)** above, cancellation will not be effective until at least 10 working days after the first Named Insured receives our notice.
 - b. With respect to insurance other than that provided under **2.c.(1)** through **(10)** above, cancellation will not be effective until at least:
 - (1) 10 days after the first Named Insured receives our notice, if we cancel for nonpayment of premium; or
 - (2) 30 days after the first Named Insured receives our notice, if we cancel for any other reason.
- D.** Paragraph 6. of the Cancellation Common Policy Condition does not apply.
- E.** The following are added and supersede any provision to the contrary:
1. **Nonrenewal**

We may elect not to renew this policy by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal before the:

 - a. Expiration date of the policy; or
 - b. Anniversary date of the policy if the policy is written for a term of more than one year or without a fixed expiration date.

However, if this policy is issued for a term of more than one year and for additional consideration the premium is guaranteed, we may not refuse to renew the policy at its anniversary date.

Nonrenewal will not be effective until at least 45 days after the first Named Insured receives our notice.
 2. **Mailing Of Notices**
 - a. If notice of cancellation or nonrenewal is mailed, a post office certificate of mailing will be conclusive proof that the first Named Insured received the notice on the third calendar day after the date of the certificate of mailing.
 - b. The following provision applies with respect to coverage provided under the Farm Coverage Part:

If the first Named Insured has affirmatively consented to our use of an electronic record to deliver notice of cancellation or nonrenewal and has not withdrawn such consent, then the electronic record delivering notice of cancellation or nonrenewal satisfies the requirement that the notice of cancellation or nonrenewal be provided, or made available, to the first Named Insured in writing if we send the first Named Insured the electronic record with a request for a return receipt and we receive the return receipt. If we do not receive the return receipt, we may cancel or nonrenew the policy only after providing or delivering the notice of cancellation or nonrenewal to the first Named Insured in writing, subject to Paragraph 2.a. above.