



ADDITIONAL PROVISIONS Commercial Lines-New York

Refer to Supplementary Declarations if information is not shown on this form.

We provide coverage under this endorsement subject to the *terms* contained in the Umbrella Insurance Program.

AGREEMENT

The added provisions that follow apply to risks insured against in the State of New York.

A. DEFINITIONS

1. **Nonpayment of Premium** means the failure of the *named insured* to discharge any obligation in connection with the payment of premiums on a policy of insurance or any installment of such premium, whether the premium is payable directly to the insurer or its agent, or indirectly under any premium finance plan or extension of credit. Payment to the insurer, or to an agent or broker authorized to receive such payment, shall be timely if made within fifteen days after the mailing to the *insured* of a notice of cancellation for **nonpayment of premium**.
2. **Renewal or to Renew** means the issuance or offer to issue by an insurer of a policy superceding a policy previously issued and delivered by the same insurer, or another insurer within the same group or under common management, or the issuance or delivery of a certificate or notice extending the term of a policy beyond its policy period or term. However, any policy with a policy period or term of less than one year shall be considered as if written for a policy period or term of one year, and any policy with no fixed expiration date or with a policy period or term of more than one year shall be considered as if written for successive policy periods or terms of one year.
3. **Required Policy Period** means a period of one year from the date as of which a *covered policy* is renewed or first issued.

B. NEW YORK PROVISIONS:

1. Cancellation

- a. by *You-You* may cancel this policy at any time by giving *us* written notice or returning the policy to *us* and stating when thereafter the cancellation is to be effective.
- b. by *Us-We* may cancel this policy by written notice delivered to or mailed to *you* at the address shown in the policy (and to *your* authorized agent or broker). Proof of delivery or mailing is sufficient proof of notice. This notice must be delivered or mailed the required number of days prior to the effective date of the cancellation. For a description of the number of days of required notice, refer to: **1) Nonpayment of Premium, 2) New Policy or 3) All Other Situations**.
- c. **When We May Cancel-We** may cancel this policy under the following conditions:
 - 1) **Nonpayment of Premium**-If the premium has not been paid when due, *we* may cancel at any time by delivering or mailing to *you* the required notice at least fifteen days before cancellation is effective. Payment by *you* to the insurer, or to an agent or broker authorized to receive such payment, shall be considered timely if made within fifteen days after mailing to *you* of a notice of cancellation for **nonpayment of premium**.
 - 2) **New Policy**-If this is a new policy which has been in effect less than sixty days, *we* may cancel for any reason by delivering or mailing the required notice to the first *named insured* at the mailing address shown in the policy at least twenty days before cancellation is effective. If upon review during this time period, *we* find that a statutory provision/provisions for cancellation applies/apply, *we* may cancel this policy by mailing written notice to the first *named insured* at the mailing address shown in the policy at least fifteen days before cancellation is effective.
 - 3) **All Other Situations**-After a covered policy has been in effect for sixty days, or upon the effective date if such policy is a *renewal*, no notice of cancellation shall become effective until fifteen days after notice is delivered or mailed to the *insured* and such cancellation is based on one or more of the following statutory provisions:
 - a. **nonpayment of premium**;

- b. conviction of a crime arising out of acts increasing the hazard insured against;
 - c. discovery of fraud or 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 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 the insurer's 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 *renewal* anniversary date of the policy, which causes the risk of loss to be 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 the present premium volume of the insurer would jeopardize that insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public;
 - g. a determination by the superintendent that the continuation of the policy would violate or would place the insurer in violation of the law;
 - h. where the insurer has reason to believe, in good faith and with sufficient cause, that there is a probable risk or danger that the *insured* will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds, provided, however, that:
 - 1) a notice of cancellation on this ground shall inform the *insured* in plain language that the *insured* must act within ten days if review by the Insurance Department of the ground for cancellation is desired pursuant to item 3) of this subparagraph h.; and
 - 2) notice of cancellation on this ground shall be provided simultaneously by the insurer to the Insurance Department; and
 - 3) upon written request of the *insured* made to the department within ten days from the *insured's* receipt of notice of cancellation on this ground, the Insurance Department shall undertake a review of the ground for cancellation to determine whether or not the insurer has satisfied the criteria for cancellation specified in this subparagraph; if after such review the department finds no sufficient cause for cancellation on this ground, the notice of cancellation on this ground shall be deemed null and void.
 - i. with respect to professional liability insurance policies, revocation or suspension of the *insured's* license to practice his/her profession or, if the *insured* is a hospital, it no longer possesses a valid operating certificate under applicable law.
- d. **We** refund the premium for the unexpired policy period on a pro rata basis.
 - e. **Refund of Premium**-Payment or tender of unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to **you** within a reasonable time.
 - f. **Loss Notice**-The company must advise the first *named insured* that he/she is entitled to loss information upon written request.
 - g. **Conditional Reinstatement**-If **we** issue a cancellation notice because **you** didn't pay the required premium when due and **you** then tender payment by check, draft or other remittance which is not honored on presentation, **your** policy will terminate on the date and time shown on the cancellation notice and any notice **we** issue which waives the cancellation or reinstates the policy is void. This means **we** will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice. **We** will give **you** notice of the dishonor of **your** remittance as soon as practicable but this shall not interrupt the cancellation of this policy.

2. **Renewal/Nonrenewal.**

- a. **Nonrenewal**-**We** may elect not **to renew** or continue this policy by delivering or mailing to **you** and **your** authorized agent or broker written notice of **our** intent not **to renew**.
 - 1) Such notice must:
 - a) be given at least sixty but not more than one hundred twenty days in advance of the end of the *required policy period*.
 - b) state **our** specific reason(s) for *nonrenewal*.
 - c) be delivered or mailed to **you** at the address shown in the policy and to **your** authorized agent or broker. Proof of delivery or mailing is sufficient proof of notice.

- d) Loss Notice-The company must advise the first *named insured* that he/she is entitled to loss information upon written request.
 - e) requirements for *nonrenewal* shall not apply if the *named insured*, or an agent or broker authorized by the *named insured*, or another insurer of the *named insured* has delivered or mailed written notice that the policy has been replaced or is no longer desired.
- 2) Prior to the expiration date of this policy, in the event that a late *nonrenewal* notice is provided by the insurer, the coverage under this policy shall remain in effect:
 - a) at the same *terms* and conditions contained in the expiring policy; and
 - b) at the lower of the current rates or at the prior period's rates until sixty days after the notice is delivered or mailed unless the *insured* elects to cancel sooner.
 - 3) In the event that a timely and complete notice is not provided by the insurer prior to the expiration date of the policy, coverage shall remain in effect:
 - a) on the same *terms* and conditions of the expiring policy;
 - b) for another *required policy period*; and
 - c) at the lower of the current rates or the prior period's rates.
 - 4) The issuance of a late or incomplete *nonrenewal* notice by the insurer shall not create a new annual aggregate liability limit (if any) for the covered policy, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extension, including any additional *required policy period*, caused by the late or incomplete notice of *nonrenewal*.
 - 5) If the insurer provides a timely notice of *nonrenewal* and thereafter the insurer extends the policy for ninety days or less, an additional notice of *nonrenewal* is not required with respect to the extension period.
- b. **Conditional Renewal**-We may elect to *renew* or continue this policy under certain conditions. We may do so by delivering or mailing to *you* and *your* authorized agent or broker written notice.
- 1) This notice must:
 - a) be delivered or mailed to *you* at least sixty but not more than one hundred twenty days in advance of the end of the *required policy period*;
 - b) contain specific reason(s) for the conditional *renewal*;
 - c) set forth the amount of any premium change if the increase is in excess of 10% unless the increase is due to increased insured values and/or increased coverage or is due to experience rating, retrospective rating or audit;
 - d) set forth the nature of any proposed change(s) in the policy such as change(s) in limits, change(s) in type(s) of coverage(s), reduction(s) in coverage(s), increased deductible or the addition of an exclusion or exclusions;
 - e) be delivered or mailed to the *named insured* at the address listed in the policy and to an authorized agent or broker of the *insured*. Proof of delivery or mailing is sufficient proof of notice; and
 - f) include a statement advising the first *named insured* that upon written request the company will provide loss information.
 - 2) Prior to the expiration date of the policy, in the event that an incomplete or late conditional *renewal* notice is provided by the insurer, the coverage under this policy shall remain in effect at:
 - a) the same *terms* and conditions of the expiring policy, and
 - b) the lower of the current rates or the prior period's rates until sixty days after the notice is delivered or mailed unless the *insured* elects to cancel sooner.

However, if the *insured* elects to accept the *terms*, conditions and rates of the conditional *renewal* notice and renews the policy on that basis, then such *terms*, conditions and rates shall govern the policy upon expiration of such sixty-day period.
 - 3) In the event that a timely and complete conditional *renewal* notice is not provided by the insurer prior to the expiration date of the policy, then coverage under the policy:
 - a) remains in effect for an additional *required policy period*;
 - b) remains at the same *terms* and conditions as the expiring policy; and
 - c) the rates for the additional *policy period* will be the lower of the current rates or the previous period's rates.
 - 4) The issuance of a late or incomplete conditional *renewal* notice by the insurer shall not create a new annual aggregate limit (if any) for the covered *policy*, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extensions including any additional *required policy period*, caused by the late or incomplete conditional *renewal* notice.

- c. **Alternate Renewal Notice Procedure**-During the period of time the insurer is assessing its option(s) as to whether to nonrenew or conditionally renew a policy, the insurer must notify the *insured* and his/her authorized agent or broker. This notice must contain the following:
- 1) The notice must be delivered or mailed at least sixty days and 120 days prior to the expiration date of the policy;
 - 2) The notice must be delivered or mailed to the *named insured* at the address in the policy and to an authorized agent or broker of the *insured*;
 - 3) The notice must advise the *insured* that the policy will be either nonrenewed or renewed at different *terms*, conditions or rates;
 - 4) The notice must advise the *insured* that a **SECOND NOTICE** will be sent at a later date;
 - 5) The notice must advise the *insured* that coverage will continue at the same *terms*, conditions and rates until the later of:
 - a) the expiration date, or
 - b) 60 days after the **SECOND NOTICE** is delivered or mailed.
 - 6) The **SECOND NOTICE** sent to the *insured* must advise the *insured*:
 - a) of the specific reason or reasons for *nonrenewal* or conditional *renewal*; and
 - b) of the amount of any premium increase if the increase is in excess of 10% and the nature of any other proposed changes.
 - 7) The **SECOND NOTICE** must advise the first *named insured* that he/she is entitled to loss information upon written request.
 - 8) If a complete **SECOND NOTICE** is not delivered or mailed until after the expiration date of the policy, the *insured* is entitled to coverage under the policy:
 - a) for an additional *required policy period*;
 - b) at the same *terms* and conditions as the existing policy; and
 - c) at the lower of the current rates or the rates of the previous period.
 - 9) No notice is necessary if the insurer receives a written notice from the *insured*, his/her authorized agent or broker, or another insurer that the policy is no longer desired or has been replaced.
- d. **Policies Written For A Term Of Less Than One Year**-For policies issued to an *insured* for a seasonal purpose or to a policy issued to cover a particular project that will be performed in less than one year, the following provisions apply:
- 1) During the first sixty days such policy is in effect, no cancellation shall become effective until twenty days after written notice is delivered or mailed to the *insured* at the mailing address shown in the policy;
 - 2) After a policy has been in effect for sixty days, no notice of cancellation shall become effective until fifteen days after notice is delivered or mailed and such cancellation is based on one or more of the statutory provisions set forth in this form.
 - 3) After a policy has been in effect for sixty days, no premium increase for the term of the policy shall be made to become effective unless due to and commensurate with insured value added, subsequent to issuance pursuant to the policy or at the *insured's* request.
3. **Liberalization Clause**-If *we* change any form attached to *your* policy, *you* will benefit by any coverage that is broadened or extended. There must not be any increased premium charge for this change in endorsement. This change must occur during the period that this policy is in force or within 45 days prior to the effective date of coverage.
4. **Policy Premium**-If this policy is issued without a specified expiration date, it may be continued by payment of the required premium for the next annual period. The premium must be paid to *us* on or before each anniversary date. Premium is subject to adjustment on the basis of the rates in effect at each anniversary date. If *you* fail to make the next annual premium payment, the policy will be cancelled pursuant to the cancellation provisions.
5. **Recoveries**-If *we* pay an *insured* for loss under this policy and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- a. The *insured* must notify *us* or *we* will notify the *insured* promptly if either recovers property or receives payment.
 - b. Any proper expenses incurred by either party in making the recovery are reimbursed first.
 - c. The *insured* may keep recovered property by refunding to *us* the amount of the claim paid or any lesser amount to which *we* agree.
 - d. If the claim paid is less than the agreed loss due to a deductible, special limit of liability or other limiting *terms* of the policy, any recovery will be pro-rated between the *insured* and *us* based on *our* respective interests in the loss.

6. **Financial Responsibility Laws**-When this policy is certified as proof of financial responsibility under the provisions of any motor vehicle financial responsibility law, the insurance as is afforded by this policy for ***bodily injury*** and/or ***property damage*** liability shall comply with the provisions of the law to the extent of the coverage and limits of liability required by the law. The ***insured*** agrees to reimburse ***us*** for any payment which ***we*** would not have been obligated to make under the policy except for the agreement contained in this paragraph.
7. **Loss or Damage to Real Property**-When ***you*** have a claim of damage to real property pending; ***we*** will, at ***your*** request, furnish ***you*** or ***your*** representative designated in writing, a copy of any written estimate(s) of the cost of damages to ***your*** real property that ***we*** prepared or had prepared on ***our*** behalf. ***We*** will respond within thirty days after the request or preparation, whichever is later, and ***we*** will show all real property deductions under consideration in the estimate(s). ***We*** are not required to provide an estimate unless ***we*** prepared one or had one prepared for ***us***.
8. **Premium Due After Policy Expiration**-If the final premium for coverage under this policy is determined at or after the expiration of the policy, any additional premium payable to ***us*** is due on the date shown on ***our*** invoice.