

Endorsement No. _____

Effective Date: _____ @12:01 a.m. Standard Time at the address of the **Named Insured**

Policy Number: _____

Insured Name: _____

Issuing Company: _____

Additional (Return) Premium: _____

If the Endorsement Effective Date is blank, then the effective date of this Endorsement is the Inception Date of the Policy.

CANCELLATION AND NONRENEWAL ENDORSEMENT – MONTANA

It is agreed that:

Except as specifically set forth herein, any Cancellation or Nonrenewal provision in this policy is replaced by the following. If the policy does not contain a Cancellation and/or Nonrenewal provision, the following is added to the policy:

1. Cancellation

a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance notice of cancellation. Such advance notice of cancellation should be mailed or delivered to the address indicated in the Declarations under the item entitled Notices to Insurer.

b. Midterm Cancellation

We may cancel this policy based on the provisions below, by mailing or delivering written notice to the first Named Insured at least 10 days before the effective date of cancellation:

(1) If this policy has been in effect for less than 60 days, except as provided in Paragraph b.(3)., we may cancel for any reason.

(2) If this policy has been in effect for 60 days or more, we may cancel this policy prior to the expiration of the agreed term or prior to one year from the effective date of the policy or renewal, whichever is less, only for one or more of the following reasons:

(a) Failure to pay a premium when due;

(b) Material misrepresentation;

(c) 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;

(d) Substantial breaches of contractual duties, conditions or warranties;

(e) Determination by the Commissioner of Insurance that continuation of the policy would place us in violation of the Montana Insurance Code;

(f) Financial impairment of us; or

(g) Such other reasons that are approved by the Commissioner of Insurance.

(3) If this policy has been issued for a term longer than one year, and if either the premium is prepaid or an agreed term is guaranteed for additional premium consideration, we may cancel this policy only for one or more of the reasons stated in Paragraph b.(2).

c. Anniversary Cancellation

We may cancel any policy with a term of more than one year by mailing or delivering to the first Named Insured written notice of cancellation at least 45 days before the anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

d. Premium Refund

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. However, when a financed insurance policy is cancelled, we will send any refund due to the premium finance company on a pro rata basis.

e. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

f. Notice of cancellation will state the effective date of cancellation and will be effective for all Insureds. All coverage will end on the effective date of cancellation.

g. If notice of cancellation is mailed, proof of mailing shall be considered sufficient proof of notice.

2. Nonrenewal

a. If we elect not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations and agent, if any, a notice of intention not to renew at least 45 days before the agreed expiration date.

b. We need not mail or deliver this notice if:

- (1) You have purchased insurance elsewhere;
- (2) You have accepted replacement coverage;
- (3) You have requested or agreed to nonrenewal; or
- (4) This policy is expressly designated as nonrenewable.

As used herein, "us" and "we" refers to the insurance company named on the Declarations.

As used herein, "you", "your" or "named insured" refers to the person or entity first named as such on the Declarations.

If any provision of the policy contains cancellation or nonrenewal terms that are more favorable to the insured than those provided in this endorsement, then, except where prohibited by applicable state law, the more favorable terms control.

All other provisions of the policy remain unchanged.