

Effective date of this Endorsement: <Effective Date>

This Endorsement is attached to and forms a part of Policy Number: <Policy Number>

<Insurer> Referred to in this endorsement as either the "Insurer" or the "Underwriters"

NEW JERSEY AMENDATORY ENDORSEMENT TO POLICY TERMS AND CONDITIONS

This endorsement modifies insurance provided under the following:

<PRODUCT NAME>

1. The term "Optional Extension Period," shall be deemed to include "Automatic Extension Period" in Clause IX. NOTIFICATION B.

2. Clause X. GENERAL CONDITIONS C. Cancellation/Nonrenewal 2. is amended to add the following:

The notice of cancellation shall state the amount of premium due and the due date. The notice of cancellation shall be sent by certified mail or by first class mail, if at the time of mailing the Underwriters have obtained from the Post Office Department a date stamped proof of mailing showing the name and address of the **Insured**, and the Underwriters have retained a duplicate copy of the mailed notice. No cancellation for nonpayment of premium shall be effective if payment of the amount due is made prior to the effective date set forth in the notice.

3. Clause X. GENERAL CONDITIONS C. Cancellation/Nonrenewal 3. is amended to add the following:

If this Policy is cancelled by the **Named Insured**, the Underwriters shall send the **Named Insured** any premium refund within a reasonable time not to exceed sixty (60) days of the date of cancellation or date of notice, whichever occurs last, or sixty (60) days after the completion of any payroll audit necessary to determine the amount of premium earned while this Policy was in force.

4. Clause X. GENERAL CONDITIONS C. Cancellation/Nonrenewal 4. is deleted and replaced with the following:

4. If the Underwriters do not renew this Policy, the Underwriters shall mail or deliver to the **Named Insured** written notice not more than one hundred twenty (120) days but not less than thirty (30) days before the end of the **Policy Period**. The notice of nonrenewal shall state the reason for nonrenewal. The notice of nonrenewal shall be sent by certified mail or by first class mail, if at the time of mailing the Underwriters have obtained from the Post Office Department a date stamped proof of mailing showing the name and address of the **Named Insured**, and the Underwriters have retained a duplicate copy of the mailed notice.

5. Clause X. GENERAL CONDITIONS C. Cancellation/Nonrenewal is amended to add the following:

If the Underwriters decide to renew this Policy, the Underwriters shall mail or deliver written notice of the amount of the renewal premium and any change in contract terms to the **Named Insured** not more than one hundred twenty (120) days but not less than thirty (30) days prior to the due date of the premium and shall state the effect of nonpayment of premium by the due date.

Pursuant to New Jersey law, this Policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the **Named Insured**. The underwriting reasons or guidelines that the Underwriters use to cancel or nonrenew this Policy are maintained by the Underwriters in writing and will be furnished to the **Named Insured** and/or the its lawful representative upon written request.

This provision shall not apply if this Policy has been in effect for less than sixty (60) days at the time notice of cancellation is mailed or delivered, unless this Policy is a renewal policy.

6. Clause **XI. OPTIONAL EXTENSION PERIOD A.** is deleted and replaced with the following:

A. If the Underwriters or the **Named Insured** cancels or nonrenews this Policy, then the **Named Insured** shall have an automatic thirty (30) day extension of the coverage granted hereunder, but only with respect to any **Wrongful Act** committed before the effective date of cancellation or nonrenewal. This period shall be referred to herein as the "Automatic Extension Period." The Automatic Extension Period shall run concurrently with the first thirty (30) days of the sixty (60) day period after the end of the Policy Period in which the Insured can report Claims in accordance with Clause **IX. NOTIFICATION A.**

If this Policy is cancelled by the **Named Insured** or if the Underwriters cancel or nonrenew this Policy, then the **Named Insured** shall have the right, upon payment of an additional premium calculated at that percentage shown in Item 7.a. of the Declarations of the total premium for this Policy, to an extension of the coverage granted by this Policy with respect to any **Claim** first made during the period of time set forth in Item 7.b. of the Declarations after the end of the Automatic Extension Period, but only with respect to any **Wrongful Act** committed before the effective date of cancellation or nonrenewal.

The regulatory requirements set forth in this Amendatory Endorsement shall supersede and take precedence over any provisions of this Policy or any endorsement to this Policy, whenever added, that are inconsistent with or contrary to the provisions of this Amendatory Endorsement, unless such Policy or endorsement provisions comply with the applicable insurance laws of this state.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative