

ADDITIONAL POLICY CONDITIONS ILLINOIS

1. **Assignment** -- This policy may not be assigned without "our" written consent.
2. **Cancellation and Nonrenewal** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel or nonrenew this policy by written notice to "you" at the last mailing address known to "us". "Our" notice will include the reasons for cancellation or nonrenewal. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record at the last mailing address known to "us". Proof of mailing is sufficient proof of notice.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel or not renew only at the anniversary date unless:

- a. the premium has not been paid when due;
- b. the policy was obtained through fraud, material misrepresentation, or omission of fact, which, if known by "us", would have caused "us" not to issue the policy;
- c. any "insured" has violated any of the "terms" and conditions of the policy;
- d. there has been a material change or increase in hazard of the risk;
- e. certification of the Director of the loss of reinsurance by the insurer which provided coverage to "us" for all or a substantial part of the underlying risk insured; or

- f. a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

"We" will mail the notice at least ten days before the cancellation is effective if "we" cancel this policy for nonpayment of premium.

Otherwise, "we" will give at least 30 days notice in advance of cancellation or nonrenewal.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid. If, in the policy period, "we" adopt a revision which broadens coverage without an additional premium, the broadened coverage will apply.

If this policy has no expiration date, "we" may substitute or "we" may add, at each anniversary date, forms that are then authorized for use.

4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.

5. **Examination of Books and Records --**
"We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.