

ADDITIONAL POLICY CONDITIONS SOUTH DAKOTA

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 not renew this policy by written notice to "you" at the address shown in the policy. A notice of cancellation will include a written explanation of the specific reasons for cancellation.

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

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

- a. the premium has not been paid when due;
- b. discovery of fraud or material misrepresentation made by or with "your" knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- c. discovery of acts or omissions on "your" part which increase any hazard insured against;
- d. the occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
- e. a violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;

- f. a determination by the Director of the Division of Insurance that the continuation of the policy would jeopardize "our" solvency or would place "us" in violation of the insurance laws of this state;
- g. violation or breach by "you" of any policy "terms" or conditions; or
- h. such other reasons as are approved by the Director of the Division of Insurance.

If "we" cancel this policy, "we" will give "you" notice at least 20 days before cancellation is effective.

If "we" do not renew this policy, "we" will give "you" notice at least 30 days before nonrenewal is effective. A notice of nonrenewal is not required if the policyholder is transferred to another insurer that is a member of "our" insurance group and "we" have given "you" notice of such transfer as required by the South Dakota Division of Insurance.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within 20 days after "we" receive "your" request for cancellation or, if "we" cancel, within 20 days after the effective date 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.

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