

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

## SPECIAL PROVISIONS – ILLINOIS

The sections of the policy listed below are amended as specified.

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### EXCLUSIONS

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#### UNDER ANY OF THE COVERAGES

Exclusion 12. is replaced with the following:

12. "We" do not cover "bodily injury" or mental or emotional injury arising out of any:
  - a. actual, alleged, or threatened sexual molestation or sexual harassment of a person by any "insured person";
  - b. sexual act performed by any "insured person";
  - c. physical abuse; or
  - d. corporal punishment.

This exclusion does not apply to any "insured person" who did not actively participate in the acts described above.

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### GENERAL POLICY CONDITIONS

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Under Condition 2. **Cancellation**, paragraph b. is replaced with the following:

- b. "We" may cancel this policy only for the reasons stated in this condition. The cancellation notice shall be mailed to the "named insured" at the last mailing address known to "us". Proof of mailing will be sufficient proof of notice.

Notification of cancellation will also be sent to the "named insured's" broker, if known, or agent of record, if known, and to the mortgagee or lienholder listed on the policy.

- 1) If this policy has been in effect for 60 days or less, "we" may cancel at any time by notifying the "named insured" at least:
  - a) 10 days prior to the effective date of cancellation for nonpayment of premium; or
  - b) 30 days prior to the effective date of cancellation for any other reason.
- 2) If this policy has been in effect for 61 or more days or is a renewal or continuation policy, "we" may cancel at any time by notifying the "named insured" at least 10 days before the cancellation takes effect if the cancellation is for nonpayment of premium and at least 30 days before the cancellation takes effect for any of the following reasons:
  - a) the policy was obtained through a material misrepresentation;
  - b) any "insured person" violated any of the terms and conditions of the policy; or
  - c) the risk originally accepted has measurably increased.

Condition 3. **Non-Renewal** is replaced with the following:

**3. Non-Renewal**

- a. "We" may elect not to renew this policy at its expiration date or, in the case of a policy written for an indefinite term, at its anniversary date. "We" will notify the "named insured" of "our" intention not to renew, and of "our" reason for nonrenewal, at least 30 days before the expiration or anniversary date.
- b. The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to the "named insured".
- c. If "we" offer renewal and "you" fail to pay the renewal premium before the expiration date of this policy, this policy will terminate upon 10 days notice of the "named insured".
- d. If insurance has been issued to "you" and has been in effect with "us" for five or more years, "we" will not exercise "our" right to nonrenewal unless:
  - 1) the policy was obtained by misrepresentation or fraud;
  - 2) the risk originally accepted has measurably increased; or
  - 3) the "named insured" received 60 days notice of "our" intention not to renew.
- e. "We" will mail written notice to "you" at the last mailing address known to "us". Proof of mailing will be sufficient proof of notice.

Notification of nonrenewal will also be sent to the "named insured's" broker, if known, or agent of record, if known and the last known mortgagee or lienholder.

Condition 5. **Concealment or Fraud** is replaced with the following:

**5. Concealment or Fraud**

"We" may deny coverage if "you" or any "insured person" has:

- a. concealed or misrepresented any material fact or circumstance;
- b. made false statements; or
- c. committed fraud relating to this insurance,

whether before or after the loss, occurrence, application for coverage, or claim for which coverage is sought under this policy.

With respect to the application for, or policy of, this condition does not apply once the policy has been in effect for one year or one policy period, whichever is less. Notwithstanding the limitation in this paragraph, "we" may cancel or non-renew this policy in accordance with the terms of **General Policy Conditions 2. Cancellation** and **3. Non-Renewal**.

The following Conditions are added:

**13. Policy Communications**

"We" will convey all notices and correspondence pertaining to this policy to the "named insured" at the last address known to "us" unless "we" receive a written request by a "named insured" to forward correspondence to a different address.

**14. Policy Authorities**

When there is more than one "named insured" listed on this policy, any "named insured" has authority to act for all "named insureds" to cancel, non-renew, or change this policy, or settle a loss under this policy. A "named insured" is the only person entitled to provide "us" with instructions regarding loss settlement and payments. An Additional "Named Insured", Additional Insured – Limited Interest, and all other "insured persons" are not entitled to cancel, non-renew, or make any changes to this policy, except as expressly authorized by law. A power of attorney, guardian, or conservator of a "named insured" may instruct "us" to cancel, non-renew, or make a change to the policy on behalf of that "named insured".

All other terms and conditions of this policy apply.