
Minnesota Endorsement

It is hereby understood and agreed that the following changes are made to the Policy.

1. Section 2.3 is deleted in its entirety and replaced as follows:
 - 2.3 **Company's Remedies for Misrepresentation** - Coverage under a Certificate is void in any case of fraud, material misrepresentation or material omission made by or with the knowledge of the Insured in obtaining such coverage or pursuing a Claim with respect to such Certificate under this Policy.

2. Section 2.9 is deleted in its entirety and replaced as follows:
 - 2.9 **Cancellation of Policy** - The Company may cancel its obligation to issue new Commitments or Certificates under this Policy by providing sixty (60) days written notice of cancellation of this Policy. In cases of cancellation of a Certificate under this Policy for reason (1) below, the Company shall give notice to the Insured at least ten (10) days before the effective cancellation date. Any notice of cancellation shall contain a specific reason for cancellation as provided for below. However, Commitments and Certificates issued prior to such cancellation of this Policy will continue in force so long as all premiums are paid and all other terms and conditions of this Policy for coverage are complied with by the Insured. This Policy may not be cancelled except for one of the following reasons:
 - (1) Non-payment of premium. Cancellation shall apply only to a Certificate on which the premium has not been paid;
 - (2) Misrepresentation or fraud made by or with the knowledge of the Insured in obtaining this Policy or in pursuing a Claim under this Policy;
 - (3) Actions by the Insured that have substantially increased or substantially changed the risk insured;
 - (4) Refusal of the Insured to eliminate known conditions that increase the potential for Loss after notification by the Company that the condition must be removed;
 - (5) Substantial change in the risk assumed, except to the extent that the Company should reasonably have foreseen the change or contemplated the risk in writing the contract;
 - (6) Loss of reinsurance by the Company which provided coverage to the Company for a significant amount of the underlying risk insured. A notice of cancellation under this clause shall advise the Insured that the Insured has ten days from the receipt of the notice to appeal the cancellation to the Commissioner of Commerce and that the Commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within five business days after receipt of the appeal; or
 - (7) A determination by the Commissioner of Commerce that the continuation of this Policy could place the Company in violation of the insurance laws of Minnesota.

3. Section 6.5 is amended by the addition of the following new last sentence:

Notwithstanding the foregoing provisions of this Section 6.5, payment of a Loss will in no event be made later than five (5) business days after the date on which the Company has agreed to the amount of Loss to be paid, or the date on which all conditions and requirements to payment of a Loss have been satisfied, whichever is later.

4. Section 7.3 is amended by the addition of the following new last paragraph:

The Company, as a provider of insurance coverage, or its reinsurer for that underlying insurance coverage, may not proceed against its Insured in a subrogation action where the Loss was caused by nonintentional acts of the Insured. The Company, as provider of insurance coverage, or its reinsurer for that underlying insurance coverage may not subrogate itself to the rights of its Insured to proceed against another Person if that other Person is insured for the same loss by the Company. This provision applies only if the Loss was caused by the nonintentional acts of the Person against whom subrogation is sought.