

**HEALTHCARE PROVIDERS
PROFESSIONAL LIABILITY INSURANCE ENDORSEMENT**

**CANCELLATION AND NON-RENEWAL ENDORSEMENT
PUERTO RICO**

It is hereby agreed that Common Policy Conditions number XIII Non-renewal/Cancellation is deleted in its entirety and replaced with the following:

Cancellation and Non-Renewal

1. Cancellation by the named insured

The **named insured** has the right to cancel this Policy at any time by giving notice to us stating when thereafter the cancellation shall be effective. If the Policy is so canceled, earned premium shall be computed pro rata.

2. Cancellation by us

We have the right to cancel this Policy at any time and for any reason within the first sixty (60) days. We must mail notice of cancellation at least:

- a. 10 days before the effective date of cancellation, if cancellation is for nonpayment of premium and the policy has been in effect for less than 60 days; or
- b. 20 days before the effective date of cancellation, if cancellation is for nonpayment of premium and the policy has been in effect for 60 days or more.

However, the **named insured** may continue the coverage by payment in full at any time prior to the date the cancellation is effective; or

- c. 20 days, if cancellation is for any other reason; before the date the cancellation is effective.

After this Policy has been in effect for sixty (60) days or more, it may be canceled only for one or more of the following reasons:

- a. Nonpayment of premium;
- b. Any:
 1. Material misrepresentation or;
 2. non-disclosure of any fact which if known would affect insurability or cause the policy not to be issued;
- c. any fraud relating to this policy or to a **claim** made under this policy;
- d. substantial breach of material terms, contractual duties, conditions or warranties of the policy by the insured;
- e. substantial loss of reinsurance by the Insurer affecting this particular type of insurance;
- f. a substantial increase in the hazard insured against which could not have been contemplated at the inception of the contract;
- g. in the case of a property and/or casualty insurance policy or bond required by law or regulation, the **named insured** have had one or more **claims** during the policy period which resulted in the payment of loss; or
- h. a determination by the insurance regulatory authority that continuation of a class or block of business to which this policy applies:
- i. places the Insurer in violation of Puerto Rico law or the laws of any other state or territory.
- j. threatens the solvency of the insurer.

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k. any other reason approved by the Commissioner.

3. Non-Renewal by us

We have the right to non-renew this Policy effective on any policy anniversary date. All notices of non-renewal must be mailed or delivered to the **named insured** at the last mailing address known, at least twenty (20) days prior to the effective date of non-renewal and shall provide a specific explanation of the reason(s) for non-renewal.

4. If we decide to renew this policy with an increased premium or on altered terms a twenty (20) day advance written notice shall be mailed or delivered to the **named insured at the last mailing address known.**

Specimen

This endorsement is a part of **your** policy and takes effect on the effective date of **your** policy, unless another effective date is shown below. All other provisions of the policy remain unchanged.

<i>Must Be Completed</i>	
ENDT. NO. 1	POLICY NO.

<i>Complete Only When This Endorsement Is Not Prepared with the Policy Or Is Not to be Effective with the Policy</i>	
ISSUED TO	ENDORSEMENT EFFECTIVE DATE