

NORTH DAKOTA INSURANCE RESERVE FUND

COMMON MEMORANDUM CONDITIONS

All Coverage Parts included in this memorandum are subject to the following conditions.

A. CANCELLATION

1. The first Named Member shown in the Declarations may cancel this memorandum by mailing or delivering to us advance written notice of cancellation.
2. If this memorandum has been in effect for less than 90 days, we may cancel the memorandum by mailing to the first named member, and agent, if any, written notice of cancellation at least 10 days before the effective date of cancellation.
3. If this memorandum has been in effect for 90 days or more or is a renewal of a memorandum we issued, we may cancel the memorandum only for one or more of the following reasons:
 - a. Nonpayment of contributions;
 - b. Misrepresentation or fraud made by you or with your knowledge in obtaining the memorandum or in pursuing a claim under the memorandum;
 - c. Your actions that have substantially increased or substantially change the risk covered;
 - d. Your refusal to eliminate known conditions that increase the potential for loss, after our notification that the condition must be removed; or
 - e. A determination by the insurance commissioner that the continuation of the memorandum could place us in violation of North Dakota insurance laws.

We will mail written notice of cancellation, stating the reason for cancellation, to the first Named Member, and agent, if any, at least:

- (1) 10 days before the effective date of cancellation for nonpayment of contribution, or
- (2) 60 days before the effective date of cancellation for any other reason stated in 3. above.

B. NONRENEWAL

1. If we elect not to renew this memorandum, we will mail to the first Named Member shown in the Declarations, and agent, if any, a notice of intention not to renew at least 60 days prior to the expiration date of the memorandum.
2. We will mail the notice, by first class mail, to the first Named Member and agent, if any, at the last mailing address known to us.
3. We need not mail this notice if you have:
 - a. Obtained coverage elsewhere;
 - b. Accepted replacement coverage; or
 - c. Requested or agreed to nonrenewal.

C. CHANGES

This memorandum contains all the agreements between you and us concerning the coverage afforded. The first Named Member shown in the Declarations is authorized to make changes in the terms of this memorandum with our consent. This memorandum's terms can be amended or waived only by endorsement issued by us and made part of this memorandum.

D. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this memorandum at any time during the memorandum period and up to 180 days afterward.

E. INSPECTIONS AND SURVEYS

We have the right, but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports, or recommendations relate only to our ability to provide coverage and the contributions to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes, or standards.

F. CONTRIBUTIONS

The first Named Member shown in the Declarations:

1. Is responsible for the payment of contributions; and
2. Will be the payee for any return contributions we pay.

G. TRANSFER

Your rights and duties under this memorandum may not be transferred without our written consent.