

# COMMON POLICY CONDITIONS

AGL0027 (06/11)

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THESE COMMON POLICY CONDITIONS ARE IN ADDITION TO THE POLICY FORM(S) ATTACHED TO THIS POLICY. ALL CONDITIONS CONTAINED HEREIN SUPERSEDE ANY CONTRARY CONDITIONS CONTAINED IN THE POLICY FORM(S).

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# COMMON POLICY CONDITIONS

(OCCI.AIX ed. 06/11)

## I. CONDITIONS

### 1. Premium Audit and Minimum Premiums

- A. We will compute all premiums for this policy in accordance with the terms and conditions of this policy.
- B. Premium shown in this policy as advance premium is a deposit premium. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first named insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first named insured, subject to the minimum premiums described below.
- C. In no event will the final premium retained by us be less than the minimum premium shown in the policy. If no other premium is designated specifically as a minimum premium, the advance premium shown in the declarations is the minimum premium. Such minimum premium is subject to short rate or pro rate adjustment according to policy provisions in case of cancellation of the policy, subject to the absolute minimum earned premium described below.
- D. This policy is also subject to an absolute minimum earned premium of 25% of the minimum premium shown in the policy. Such absolute minimum earned premium is not subject to pro rate or short rate adjustment in the event of cancellation by you and we shall retain no less than this absolute minimum earned premium regardless of policy term. Cancellation of the policy for non-payment of premium shall be deemed a request by you for cancellation of this policy thereby invoking the absolute minimum earned premium.
- E. You must keep records of the information we need for premium computation, and send us copies at such times as we may request.

### 2. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period; up to three years afterward.

### 3. Inspection and Surveys

We have the right but are not obligated to:

- A. Make inspections and surveys at any time;
- B. Give you reports on the conditions we find; and
- C. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums 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:

- A. Are safe or healthful; or
- B. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, report or recommendations.

### 4. Changes

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

### 5. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death or an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody or your property will have your rights and duties but only with respect to that property.

### 6. Cancellation

- A. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- B. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - 1. TEN (10) days before the effective date of cancellation if we cancel for nonpayment of premium, or
  - 2. THIRTY (30) days before the effective date of cancellation if we cancel for any other reason.
- C. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- D. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

- E. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- F. If notice is mailed, proof of mailing will be sufficient proof of notice.

**7. Premiums**

The first Named Insured shown in the Declarations:

- A. Is responsible for the payment of all premiums; and
- B. Will be the payee for any return premiums we pay.