



CANCELLATION AND NON-RENEWAL AMENDATORY ENDORSEMENT - NORTH CAROLINA

In consideration of the premium, the policy is amended as follows:

- I. Section XVIII, Cancellation is deleted and replaced with the following:
 - A. The **named insured** may cancel this policy at any time by:
 - (i) returning the policy to us or any of our authorized representatives, indicating the effective date of cancellation; or
 - (ii) providing a written notice to us stating when the cancellation is to be effective.We must receive the policy or written notice before the cancellation date.
 - B. We may cancel this policy by giving written notice to the **named insured** at least:
 - (i) fifteen (15) days for cancellation for non-payment of premium; or
 - (ii) fifteen (15) days for cancellation for any other reason,prior to the effective date of cancellation.
 - C. If this policy has been in effect for more than sixty (60) days or is a renewal policy, we will not cancel this policy except for one or more of the following conditions:
 1. non-payment of premium;
 2. material misrepresentation in obtaining the policy, in pursuing a claim, or in renewing the policy;
 3. substantial breaches of contractual duties, conditions or warranties;
 4. increased hazard or material change in the risk;
 5. fraudulent act(s) by the **named insured** or the **named insured's** representatives that materially affects the nature of the risk;
 6. failure by the **named insured** to implement reasonable loss control requirements;
 7. if the insurer loses its reinsurance for the risk;
 8. conviction of the **named insured** of a crime that increases any hazard insured against
 9. determination by the Commissioner that continuation of the policy would violate North Carolina law;
 10. **named insured** fails to meet requirements of Insurer's charter.
 - D. The notice of cancellation will state the reason for cancellation and the effective date of cancellation. The policy will end on that date.
 - E. We will mail or deliver notice to the **named insured** at the last mailing address known to us. A copy of the notice will also be sent to the agent or broker of record.
 - F. Proof of mailing is sufficient proof of notice.



G. If we cancel, the refund will be pro rata. If the **named insured** cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

II. Section XIX, Non-Renewal is deleted and replaced with the following:

A. We reserve the right to non-renew this policy by providing written notice to the **named insured** at least forty-five (45) days prior to the expiration date.

B. The notice shall include the reason for such non-renewal.

C. We will mail or deliver notice to the **named insured** at the last mailing address known to us. A copy of the notice will also be sent to the agent or broker of record.

D. Proof of mailing shall be sufficient proof of notice.

III. The policy is amended to include the following:

Renewal

A. If we offer to renew this policy at less favorable terms as to the dollar amount of coverage, deductibles, higher rates or rating plans, such less favorable terms will take effect on the renewal date if we have notified the **named insured** of the less favorable terms at least:

(i) forty-five (45) days prior to the expiration date if the policy being renewed was written for a term of one year or less;

(ii) forty-five (45) days before the anniversary date if the policy being renewed was written for a term of more than one year or for an indefinite term.

B. We will mail or deliver the renewal terms and statement of premium due to the **named insured** at the last mailing address known to us. A copy of the renewal terms and statement of premium due will also be sent to the agent or broker of record.

C. If we have not given such advance notice, the **named insured** is entitled to the option of coverage under the policy being renewed at the same cost of the policy until forty-five (45) days have elapsed after the insurer has provided the renewal terms and statement of premium due. The **named insured** may cancel the renewal policy within thirty (30) days after receiving the renewal terms and statement of premium due, and any return or additional premium charges shall be calculated proportionately on the basis of the prior rates.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.