

AMENDATORY ENDORSEMENT SOUTH CAROLINA

1. Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation And Nonrenewal

- a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
- b. "We" may cancel or not renew this policy by written notice to "you" and "your" authorized agent, if any, at the addresses shown on the "declarations" or the last addresses known to "us". The notice will state the precise reason for cancellation or nonrenewal. Proof of delivery or mailing is sufficient proof of notice.
- c. If this policy has been in effect for less than 120 days, "we" may cancel for any reason. "We" will give "you" notice:
- 1) at least 10 days before cancellation is effective, if "we" cancel for nonpayment of premium; or
 - 2) at least 30 days before cancellation is effective, if "we" cancel for any reason other than nonpayment of premium.
- d. If this policy has been in effect for 120 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel or not renew only at the anniversary date unless:
- 1) the premium has not been paid when due;
 - 2) there has been a material misrepresentation of fact, which, if known by "us", would have caused "us" not to issue the policy;
 - 3) there has been a substantial change in the risk assumed, except to the extent that "we" should reasonably have foreseen the change or contemplated the risk in writing the policy;

- 4) there has been a substantial breach of a contractual duty, condition, or warranty; or
- 5) there has been a loss of "our" reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil "our" solvency or place "us" in violation of the insurance laws of this state.

Prior to cancellation for reasons permitted in this item 5), "we" must notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least 10 days before cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days before cancellation is effective.

- e. If "we" do not renew this policy, "we" will give "you" notice:
- 1) at least 60 days before nonrenewal is effective, if the effective date of nonrenewal would be between November 1 and May 31; or
 - 2) at least 90 days before nonrenewal is effective, if the effective date of nonrenewal would be between June 1 and October 31.
- f. "Your" return premium, if any, will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.

2. Under Common Policy Conditions, the following condition is added:

Renewal -- If "we" intend to renew the policy, "we" will mail or deliver a notice of the renewal "terms" and a statement of the premium due or estimated premium due to "you" at least 30 days prior to the expiration date or anniversary date of the policy.

The notice of renewal and premium due statement will be mailed or delivered:

- a. to "you" at the address shown in the policy, or if not indicated in the policy, to the last address known to "us"; or

- b. to "your" authorized agent at least 45 days prior to the expiration date or anniversary date of the policy, along with instructions that "your" agent give the notice and premium due statement to "you" at least 30 days prior to the expiration date or anniversary date of the policy.

If "we" do not provide "you" with the required notice and premium due statement as described above, "you" may elect to cancel the policy within the 30 day period following receipt of the notice.

"Your" return premium, if any, will be calculated on a prorata basis based on the premium applicable to the original policy and not the premium applicable to the renewal policy.