

AMENDATORY ENDORSEMENT TENNESSEE

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

Cancellation or Nonrenewal -- "You" may cancel this policy by returning the policy to "us" or by giving "us" a written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy, or one or more of its parts, by written notice mailed or delivered to "you" and "your" agent at the addresses shown in the policy. The notice will state the reason for cancellation or nonrenewal and the time that the cancellation is to take effect. Proof of mailing will be sufficient proof of notice.

If this policy has been in effect less than 60 days, "we" may cancel for any reason.

If this policy has been in effect 60 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel this policy only on its annual anniversary date unless one or more of the following reasons apply:

- a. nonpayment of premium, including nonpayment of any additional premiums, calculated in accordance with "our" current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
- b. "your" conviction of a crime having as one of its necessary elements an act increasing any hazard insured against;
- c. discovery of fraud or material misrepresentation on the part of either of the following:
 - 1) "you" or "your" representative in obtaining the insurance; or

- 2) "you" in pursuing a claim under the policy;

- d. failure to comply with written loss control recommendations;
- e. material change in the risk which increases the risk of loss after insurance coverage has been issued or renewed;
- f. determination by the Commissioner that the continuation of the policy would jeopardize "our" solvency or would place "us" in violation of the insurance laws of this state or any other state;
- g. "your" violation or breach of any policy "terms" or conditions; or
- h. such other reasons that are approved by the Commissioner.

If "we" cancel this policy, "we" will give "you" and "your" agent notice at least ten days before cancellation is effective.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

If "we" decide not to renew this policy, "we" will give "you" and "your" agent notice at least 60 days before the expiration date of the policy.

Notice of nonrenewal is not required if "we" have offered to issue a renewal policy, or "you" have obtained replacement coverage or have agreed in writing to obtain replacement coverage.

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

Renewal -- If "we" decide to renew this policy subject to:

- a. an increase in premium rates or factors in excess of 25%; or

- b. reduction of "limits" or elimination of coverages;

"we" will give notice stating the new "terms" at least 60 days prior to the expiration date. "Our" notice will be mailed or delivered to "you" at the address on the policy, and to "your" agent.

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