

AMENDATORY ENDORSEMENT ARIZONA

1. The following applies to all risks except those described in paragraph 2.

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 mailing, by United States certified mail or first class mail using intelligent mail barcode or another similar tracking method used or approved by the United States Postal Service, written notice to "you" at the address shown in the policy or to "your" last known address. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent. A copy of the notice will also be provided to "your" agent. Proof of mailing or delivery is sufficient proof of notice.
- c. If this policy has been in effect for less than 60 days, "we" may cancel for any reason. "We" will give notice at least 10 days before cancellation is effective.
- d. If this policy has been in effect for 60 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel only if:
 - 1) nonpayment of premium;
 - 2) "you" have been convicted of a crime arising out of an act increasing the hazard insured against;

- 3) there has been an act or omission by an "insured" or an "insured's" representative constituting fraud or material misrepresentation in obtaining the policy, in continuing the policy, or in presenting a claim under the policy;
- 4) 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 contract;
- 5) there has been a substantial breach of a contractual duty or condition;
- 6) there has been a loss of reinsurance applicable to the risk insured against, but only if the absence of reinsurance has resulted from termination of treaty or facultative reinsurance initiated or implemented by "our" reinsurer or reinsurers;
- 7) the director of insurance has determined that the continuation of the policy would place "us" in violation of the insurance laws of this state, or would jeopardize "our" solvency; or
- 8) there has been an act or omission by an "insured" or an "insured's" representative which has materially increased the hazard insured against.

If "we" cancel this policy for nonpayment of premium, "we" will give notice at least 10 days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give notice at least 45 days before the cancellation is effective. "Our" notice will state the reason for the cancellation.

- e. "Your" return premium, if any, will be calculated on a pro rata basis and will be refunded to "you" with the cancellation notice unless the premium was financed or the policy is subject to audit. Payment or tender of the unearned premium is not a condition of cancellation.

- f. If "we" decide not to renew this policy, "we" will give "you" notice at least 45 days before the nonrenewal is effective.

However, notice of nonrenewal is not required if:

- 1) "we" have, or another company in the same insurance group has, offered to issue a renewal policy; or
 - 2) "you" have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
2. The following applies if this policy was issued to cover property which is used predominantly for residential purposes and which consists of not more than four dwelling units:

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 mailing written notice to "you" at the address shown in the policy or to "your" last known address. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent. Proof of mailing or delivery is sufficient proof of notice.
- c. If this policy has been in effect for less than 60 days, "we" may cancel for any reason. "We" will give "you" notice at least 10 days before cancellation is effective.
- d. If this policy has been in effect for 60 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel only if:
 - 1) the premium has not been paid when due;

- 2) "you" have been convicted of a crime arising out of an act increasing the hazard insured against;
- 3) there has been an act or omission by an "insured" or an "insured's" representative constituting fraud or material misrepresentation in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- 4) there has been a discovery of a grossly negligent act or omission by an "insured" which has substantially increased any of the hazards insured against;
- 5) there has been a substantial change in a risk assumed by "us", except to the extent that "we" should reasonably have foreseen the change or contemplated the risk in writing the contract;
- 6) the director of insurance has determined that the continuation of the policy would place "us" in violation of the insurance laws of this state; or
- 7) an "insured" has failed to take reasonable steps to eliminate or reduce any conditions in or on the "insured premises" which contributed to a loss in the past or will increase the probability of future losses.

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

- e. "Your" return premium, if any, will be calculated on a pro rata basis and will be refunded at the time of cancellation or as soon as practicable. Payment or tender of the unearned premium is not a condition of cancellation.
- f. If "we" decide not to renew this policy, "we" will give "you" notice at least 30 days before the nonrenewal is effective. "Our" notice will state the reason for the nonrenewal.

In the event of nonrenewal based on condition of the "insured premises", "we" will give "you" 30 days' notice to remedy the identified conditions. In the event that the identified conditions are remedied, "we" will renew coverage. In the event that the identified conditions are not satisfactorily remedied, "we" will give "you" an additional 30 days, upon payment of premium, to cure the defective condition.

However, "we" are not required to give "you" a notice of nonrenewal if "you" have accepted replacement coverage or have agreed to nonrenewal.

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

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

- a. premium increase;
- b. change in deductible;
- c. reduction in "limits"; or
- d. substantial reduction in coverage;

"we" will mail written notice of such change to "you", at the address shown in the policy, at least 30 days before the expiration date of the policy. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent.

If "we" fail to provide the 30 days' notice, the coverage provided to "you" will remain in effect until notice is given or until the effective date of replacement coverage obtained by "you", whichever occurs first.