

AMENDATORY ENDORSEMENT TEXAS

1. If this policy has been issued to a governmental unit, as defined under Texas regulations, under Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation And Nonrenewal

- a. "You" may cancel this policy at any time by notifying "us" of the date cancellation is to take effect. "We" will send "you" any refund due when the policy is returned to "us".
- b. "We" may cancel or not renew this policy by delivering or mailing written notice to "you" at the address shown in 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may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent. Proof of delivery or mailing is sufficient proof of notice. The notice will state the reason for cancellation or nonrenewal.
- c. If this policy has been in effect for less than 90 days, "we" may cancel for any reason, except that under the provisions of the Texas Insurance Code, "we" may not cancel solely because "you" are an elected official.

If this policy has been in effect for 90 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel only if one or more of the following reasons apply:

- 1) "you" have not paid any portion of the premium when due;
- 2) "you" have submitted a fraudulent claim;
- 3) there has been an increase in the hazard covered by this policy that is within "your" control and that would produce a rate increase; or

- 4) the department has determined that continuation of the policy would result in a violation of the Texas Insurance Code or any other law governing the business of insurance in the state.

"We" will give "you" notice at least 10 days before cancellation is effective.

- d. If "we" do not renew this policy, "we" will give "you" notice at least 30 days before nonrenewal is effective. "We" may nonrenew for any reason except that, under the provisions of the Texas Insurance Code, "we" may not nonrenew solely because "you" are an elected official.
 - 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.
2. If this policy has not been issued to a governmental unit, as defined under Texas regulations, 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 the date coverage is to stop.
- b. "We" may cancel or not renew this policy by delivering or mailing written notice to "you" at the address shown in 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. Proof of delivery or mailing is sufficient proof of notice. The notice will state the reason for cancellation or nonrenewal.

- c. If this policy has been in effect for 60 days or less, "we" may cancel for any reason, except that under the provisions of the Texas Insurance Code, "we" may not cancel this policy solely because "you" are an elected official.

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

- 1) the premium has not been paid when due;
- 2) there has been fraud committed in obtaining coverage;
- 3) there has been an increase in hazard within "your" control that would produce a rate increase;
- 4) there has been a loss of "our" reinsurance covering all or part of the risk covered by this policy; or
- 5) "we" have been placed in supervision, conservatorship, or receivership and the cancellation has been approved or directed by the supervisor, conservator, or receiver.

"We" will give "you" notice at least 10 days before cancellation is effective.

- d. If "we" do not renew this policy, "we" will give "you" notice at least 60 days before nonrenewal is effective. "We" may nonrenew for any reason except that, under the provisions of the Texas Insurance Code, "we" may not nonrenew solely because "you" are an elected official.

If such notice is given to "you" later than 60 days before nonrenewal is effective, coverage remains in effect until the 61st day after the date on which the notice is provided. Earned premium for any period of coverage that extends beyond the expiration date of this policy will be computed pro rata based on the rate charged for the expired policy.

The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

- 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.