

ENDORSEMENT

This endorsement, effective _____ forms a part of

policy no.: _____ issued to

by:

TENNESSEE CANCELLATION/NONRENEWAL AMENDATORY ENDORSEMENT

Wherever used in this endorsement: 1) "Insurer" means the insurance company which issued this policy; and 2) "Named Insured", means the Named Corporation, Named Organization, Named Sponsor, Named Insured, or Insured identified in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

1. Cancellation

After coverage has been in effect for sixty (60) days, or in the case of a renewal policy, the policy shall not be cancelled except for one or more of the following reasons:

- A. Nonpayment of premium, including nonpayment of any additional premiums which were calculated in accordance with the current rating manual of the Insurer and justified by a physical change in the insured property or a change in its occupancy or use;
- B. Conviction of the Named Insured or Other Insured(s) 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 A) the Named Insured or Other Insured(s) or a representative of same in obtaining the insurance or, B) the Named Insured or Other Insured(s) 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 the insurance coverage has been issued or renewed;
- F. Determination by the Commissioner of Insurance that the continuation of the policy would jeopardize the Insurer's solvency or would place the Insurer in violation of the insurance laws of this state or any other state;
- G. Violation or breach by the Named Insured or Other Insured(s) of any policy terms or conditions; or
- H. Such other reasons that are approved by the Commissioner of Insurance.

2. Notice Of Cancellation

Notice of cancellation must be mailed or delivered by the Insurer or its authorized agents, to the named Insured, at the address shown in the policy. The notice shall state the grounds for cancellation and that upon written request of the named Insured, the Insurer shall furnish the facts on which the cancellation is based. Cancellation shall not be effective until ten 10 days after mailing, if cancellation is due to one of the above mentioned reasons or if the policy has been in effect less than sixty (60) days and is not a renewal.

The mailing of the notice shall be sufficient proof of notice.

3. Nonrenewal

The Insurer may nonrenew the policy by giving written notice of nonrenewal to the Named Insured and its authorized agent, (at the address shown in the policy) no less than sixty (60) days prior to the expiration date of the policy. If the Insurer fails to mail or deliver the notice of nonrenewal, the Insurer is required to extend the existing policy for an additional sixty (60) days. Notice of nonrenewal is not required if the Insurer has: 1) offered renewal, 2) if the Named Insured has replaced coverage, or 3) if the Named Insured has agreed in writing to replace coverage. If the Insurer provides such notice and extends the policy for ninety (90) days or less, an additional notice of renewal is not required.

4. Increase in Rates

Should the Insurer intend to effect a revision of rates by more than 25%, the Insurer shall mail or deliver to the Named Insured and its authorized agent at the address shown in the policy not less than sixty (60) days notice of its intention to increase the premium. The notice shall specify the percentage of increase.

5. Refund of Unearned Premiums

If the policy is cancelled, the Insurer will send the Named Insured any premium refund due. However, whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the policy directly to the premium finance company for the account of the Named Insured.

The refund will be pro rata if:

- (a) The Insurer cancels; or
- (b) The policy is cancelled at the request of a premium financed company that has financed the policy under a premium finance agreement.

The refund may be less than pro rata if the Named Insured cancels the policy. The cancellation will be effective if the Insurer has not made or offered a refund

All other terms and conditions remain unchanged.

AUTHORIZED SIGNATURE