

ARIZONA
AMENDATORY ENDORSEMENT

This endorsement, effective forms part of

policy no.: issued to

by:

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

In consideration of the premium charged, it is hereby understood and agreed that the cancellation paragraph of this policy is deleted in its entirety and is replaced by the following:

CANCELLATION/NONRENEWAL

CANCELLATION BY THE INSURED - This policy may be cancelled by the Insured by surrender of this policy to the Insurer or by giving written notice to the Insurer stating when thereafter such cancellation shall be effective.

CANCELLATION BY THE INSURER - The Insurer may not cancel this policy before the expiration date if this policy has been in effect for sixty (60) days or if the policy is a renewal, effective immediately, unless one or more of the following reasons exist:

- (a) Conviction of the Insured or Other Insured(s) of a crime arising out of acts increasing the hazard insured against.
- (b) Acts or omissions by the Insured or Other Insured(s) or a representative of same constituting fraud or material misrepresentation in obtaining the policy, in continuing the policy, or in presenting a claim under the policy.
- (c) A substantial change in the risk assumed, except to the extent that the Insurer should reasonably have foreseen the change or contemplated the risk in writing the contract.
- (d) A substantial breach of contractual duties or conditions.
- (e) 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 the reinsurer or reinsurers of the Insurer issuing the policy.
- (f) A determination by the Director of Insurance that the continuation of the policy would place the Insurer in violation of the insurance laws of this state or would jeopardize the solvency of the Insurer.

- (g) Acts or omissions by the Insured or Other Insured(s) or a representative of same which materially increase the hazard insured against.

The Insurer may cancel this policy for nonpayment of premium notwithstanding the length of time the policy has been in effect

Notice. The Insurer shall mail a copy of the notice of cancellation to the Insured's agent and written notice of cancellation shall be mailed by certified mail to the named Insured at the address shown in the policy or to the last known address at least sixty (60) days before the effective date of cancellation except that if cancellation is for nonpayment of premium, at least ten (10) days notice of cancellation must be given. The notice shall state the reason for cancellation, and shall state the specific facts which constitute the grounds set forth above which are relied on.

The notice of cancellation shall be accompanied by a refund of unearned premium unless the premium has been financed.

NONRENEWAL - A nonrenewal by the Insurer is effective if the Insurer mails a copy of the notice of nonrenewal to the Insured's agent and a certified written notice to the Named Insured at the address shown in the policy or to the last known address of the Insured at least sixty (60) days before the end of the policy period.

Notice of nonrenewal is not required if either of the following occurs:

1. The Insurer or a company within the same insurance group has offered to issue a renewal policy;
2. The Named Insured has obtained replacement coverage or has agreed in writing to obtain replacement coverage.

Notice Of Change - If the Insurer elects to renew this policy and the renewal is subject to a premium increase, change in deductible, reduction in limits of insurance, or substantial reduction in coverage, then the insurer shall mail written notice of the change(s) to the first Named Insured at mailing address on the policy, at least sixty (60) days before the expiration date of the policy. If the Insurer fails to provide sixty (60) days notice, the present policy will remain in effect for sixty (60) days after the date of mailing the notice or until the effective date of the replacement coverage is obtained by the first Named Insured, whichever occurs first. If the First Insured elects not to renew, any earned premium for the period of extension of the terminated policy will be calculated pro rata at the lower of the current or previous year's rate. If the first Named Insured accepts the renewal, the premium increase, if any, and other changes are effective the day following the expiration date of the current policy.

All other terms, conditions and exclusions of the policy remain the same.

AUTHORIZED REPRESENTATIVE