

This endorsement, effective A.M. forms a part of
Policy no.: issued to
By:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARYLAND CANCELLATION/NONRENEWAL ENDORSEMENT

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.

It is hereby understood and agreed that the cancellation and/or nonrenewal provision of this policy is amended by the following as necessary:

1. The Insured may cancel this policy by mailing to the Insurer advance written notice of cancellation.
2. The Insurer may cancel this policy for one or more of the following reasons:
 - a. Nonpayment of premium; or
 - b. Application of standards which are reasonably related to the Insurer's economic and business purposes.

When cancellation is for nonpayment of premium, the Insurer will mail written notice of cancellation to the Insured at least ten (10) days before the effective date of cancellation. A written notice of cancellation or notice of nonrenewal based on application of standards reasonably related to the Insurer's economic and business purposes will be mailed to the Insured not less than forty-five (45) days prior to the effective date of cancellation or the expiration date of the policy. Notices will be sent by certified mail to the Insured at his last known address and will state the reason(s) for cancellation or nonrenewal.

When the Insurer intends to increase the premium for a particular policy by 20% or more (without a corresponding change in the terms of the policy), the Insurer shall notify the Insured and the agent of the increase forty-five (45) days in advance of such increase by first class mail.

When an insurance contract is canceled, whether by a premium finance company, an Insurer, or an Insured, the Insurer shall return any gross unearned premiums that are due under the insurance contract, computed pro rata, and excluding any expense constant, administrative fee, or any nonrefundable charge filed with and approved by the Commissioner, to the premium finance company for the account of the Insured within forty-five (45) days after:

1. receipt by the Insurer of a notice of cancellation from the premium finance company or the Insured; [or]

2. the date the Insurer cancels the insurance contract; [or]
3. completion of any payroll audit necessary to determine the amount of premium earned while the insurance contract was in force. The payroll audit shall be performed within forty-five (45) days after the Insurer receives the notice of cancellation.

When an insurance contract is not financed and canceled by an Insured, then the return premium shall be calculated short rate (pro rata x .90).

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.

AUTHORIZED REPRESENTATIVE