

ENDORSEMENT

This endorsement, effective

forms a part of

Policy Number:

Issued to:

By:

TEXAS LIABILITY INSURANCE AMENDATORY ENDORSEMENT CANCELLATION AND NONRENEWAL

Wherever used in this endorsement: 1) "Insurer" means the insurance company which issued this policy; and 2) "Insured" means the Named Corporation, Named Organization, Named Sponsor, or Named Insured stated in the declarations page; and 3) "Liability insurance" means the following types of insurance: general liability, professional liability other than medical professional liability, commercial multi-peril coverage, and any other types of lines of liability insurance designated by the State Board of Insurance.

It is hereby agreed that the cancellation provision of this policy is deleted in its entirety and replaced by the following:

CANCELLATION AND NONRENEWAL

A. Cancellation

1. This policy may be canceled by the Insured by surrender thereof to the Insurer or any of its authorized agents or by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective.
2. Except as provided by subsection A.3. below, the Insurer may not cancel this policy if it is:
 - a) a policy of liability insurance that is a renewal or continuation policy; or
 - b) a policy of liability insurance that is in its initial policy period after the 60th day following the date on which the policy was issued.
3. The Insurer may cancel this policy at any time during the term of the policy for the following reasons:
 - a) fraud in obtaining coverage;
 - b) failure to pay premiums when due;
 - c) an increase in hazard within the control of the Insured or Other Insured(s) which would produce an increase in rate;

- d) loss of the Insurer's reinsurance covering all or part of the risk covered by the policy; or
 - e) the Insurer being placed in supervision, conservatorship, or receivership, if the cancellation or nonrenewal is approved or directed by the supervisor, conservator, or receiver.
- 4. The Insurer shall deliver or mail to the Insured first named in the Declarations written notice of cancellation at the address shown on the policy not less than the 10th day before the date on which the cancellation takes effect. Such written notice shall state the reasons(s) for cancellation.
 - 5. The Insurer may not cancel this policy based solely on the fact that the Insured is an elected official.

B. Nonrenewal

- 1. The Insurer may refuse to renew this policy by delivering or mailing to the Insured first named in the Declarations written notice of nonrenewal at the address shown on the policy. Such written notice shall state the reason(s) for nonrenewal. The notice must be delivered or mailed not later than the 60th day before the date on which the policy expires. If the notice is delivered or mailed later than the 60th day before the date on which the policy expires, the coverage shall remain in effect until the 61 day after the date on which the notice is delivered or mailed. If notice is delivered or mailed, proof of delivery or mailing will be sufficient proof of notice. Earned premium for any period of coverage that extends beyond the expiration date of the policy shall be computed pro rata based on the previous year's rates.
- 2. The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.
- 3. The Insurer may not refuse to renew this policy based solely on the fact that the Insured is an elected official.

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

AUTHORIZED REPRESENTATIVE