

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME POLICY
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY
KIDNAP/RANSOM AND EXTORTION POLICY

- A. Paragraph (5) of the Cancellation Of Policy Condition is replaced by the following:**
- (5) Refund Of Premium**
- (a)** If this Policy is cancelled, we will send the first Named Insured any premium refund due.
 - (b)** We will refund the pro rata unearned premium if the Policy is:
 - (i)** Cancelled by us or at our request;
 - (ii)** Cancelled but rewritten with us or in our company group;
 - (iii)** Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
 - (iv)** Cancelled after the first year of a prepaid policy that was written for a term of more than one year.
 - (c)** If the Policy is cancelled at the request of the first Named Insured, other than a cancellation described in Paragraph **(b)(ii), (iii) or (iv)**, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this Policy.
 - (d)** The cancellation will be effective even if we have not made or offered a refund.
 - (e)** If the first Named Insured cancels the Policy, we will retain no less than \$100 of the premium.
- B. The following is added to the Cancellation Of Policy Condition:**
- (7) Cancellation Of Policies In Effect More Than 60 Days**
- (a)** If this Policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:
 - (i)** Nonpayment of premium;
 - (ii)** Fraud or material misrepresentation made by you or with your knowledge in obtaining the Policy, continuing the Policy or in presenting a claim under the Policy;
 - (iii)** The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance; or
 - (iv)** A material violation of a material provision of the Policy.
 - (b)** If we cancel for:
 - (i)** Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any loss payee named in the Policy at least 10 days before the effective date of cancellation.
 - (ii)** Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any loss payee named in the Policy at least 20 days before the effective date of cancellation.

- C. The following condition is added and supersedes any other provision to the contrary:

Nonrenewal

1. If we decide not to renew this Policy, we will mail to the first Named Insured shown in the Declarations, or any loss payee named in the Policy, written notice of nonrenewal at least 60 days before:
 - a. Its expiration date; or
 - b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal.

2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

- D. The following is added to Section E. **Conditions:**

Multiyear Policies

We may issue this Policy for a term in excess of 12 months with the premium adjusted on an annual basis in accordance with our rates and rules.

- E. The following is added to the **Transfer Of Your Rights Of Recovery Against Others To Us** Condition:

Notwithstanding the procedures set forth in the Recoveries Condition, we will be entitled to recovery only after the insured has been fully compensated for the loss sustained.