

FORMS – IMPLEMENTATION

JUNE 13, 2019

COMMERCIAL LINES

LI-CL-2019-027

SOUTH CAROLINA CANCELLATION PROVISION ENDORSEMENTS REVISION TO BE IMPLEMENTED

KEY MESSAGE

Forms filing CL-2019-OCAN1 to be implemented 7/1/2019.

Applicable Lines: AG, BP, CA, CF, CM, CR, CU, CY, EB, EP, FC, FI, FR, GL, HH, MP, OP, PF, PR

BACKGROUND

In circular [LI-CL-2019-020](#), we provided information regarding forms filing CL-2019-OCAN1, which revises various cancellation provisions in response to 2019 S.C. Acts ____ (former S.B. 360).

INSURANCE DEPARTMENT ACTION

Filing CL-2019-OCAN1 has been approved for Medical Professional Liability and acknowledged for all other Commercial Lines by the South Carolina Department of Insurance.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

Medical Professional Liability

These changes are applicable to all policies written on or after July 1, 2019.

All other Commercial Lines

We do not establish an effective date for forms revisions in South Carolina. Each insurer that elects to utilize this revision is responsible for determining its own effective date.

COMPANY ACTION

Medical Professional Liability

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the South Carolina Department of Insurance.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the South Carolina Department of Insurance.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the South Carolina Department of Insurance on this revision, you should refer to ISO Filing Designation Number CL-2019-OCAN1, not this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

All other Commercial Lines

ISO has not filed this revision on behalf of insurers.

You must independently determine what revision to make and when to make any revision effective. If you decide to use all or any part of our revision, you are NOT required to file anything with the South Carolina Department of Insurance.

You must document your files in case the Insurance Department wishes to review the information at a later date. In all internal correspondence on this revision, you should refer to ISO Revision Designation Number CL-2019-OCAN1, NOT this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- A new edition date of existing form numbers is being introduced.

REFERENCE(S)

- [LI-CL-2019-020](#) (05/17/2019) South Carolina Cancellation Provision Endorsements Revised In Response To S.B. 360 Filing Provided
- [LI-CL-2019-012](#) (04/04/2019) South Carolina S.B. 360 Regarding Cancellation Under Review
- [LI-CL-2018-044](#) (11/27/2018) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Final copies of AG 01 49, BP 01 21, CA 02 30, CG 28 51, CG 28 52, CG 30 35, CG 33 19, CR 02 23, CU 02 12, CX 02 31, CY 02 16, FB 02 20, FC 01 39, FE 02 31, FI 02 37, FI 03 49, FI 04 54, HH 01 42, IA 01 41, IL 02 49, LW 01 38, MI 01 41, ML 15 41, MP 02 49, RE 01 41.

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CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:
Tawanda Timmons
Compliance & Product Services
201 469-2801
Tawanda.Timmons@verisk.com
- Other issues for this circular, please contact Customer Support:
E-mail: info@verisk.com
Phone: 800-888-4476

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

- A.** Paragraphs **2.** and **3.** of **Cancellation** Common Policy Condition are replaced by the following:
- 2.** We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
 - 3.** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.
- B.** The following is added to the **Cancellation** Common Policy Condition:
- 7. Cancellation Of Policies In Effect For 120 Days Or More**
- If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
- a.** Nonpayment of premium;
 - b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
 - c.** Substantial change in the risk assumed, except to the extent that:
 - (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - d.** Substantial breaches of contractual duties, conditions or warranties; or
- e.** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.
- Prior to cancellation for reasons permitted in this Paragraph **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.
- Any notice of cancellation will state the precise reason for cancellation.
- C.** The following is added and supersedes any provisions to the contrary:
- NONRENEWAL**
- 1.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
 - 2.** If we decide not to renew this Policy, we will:
 - a.** Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1)** The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2)** An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and
 - b.** Provide at least:
 - (1)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or

(2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Any notice of nonrenewal will state the precise reason for nonrenewal.

D. The **Legal Action Against Us** Condition is replaced by the following:

LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and

2. The action is brought within three years after the date on which the direct physical loss or damage occurred.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT

SCHEDULE

Premises Number	Building Number	Agreed Value Of Building	Total Amount Of Insurance To Be Carried
		\$	\$
		\$	\$
		\$	\$
		\$	\$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section I – Property is amended as follows:

1. Paragraph **E.4. Legal Action Against Us** Condition is replaced by the following:

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within three years after the date on which the physical loss or damage occurred.

2. The following is added to Paragraph **E.5. Loss Payment** Property Loss Condition:

For loss or damage to buildings caused by or resulting from fire or lightning, you and we agree that:

- a. The value of buildings described in this Policy; and
- b. The total amount of insurance to be carried on the buildings, including this Policy; are the amounts shown in the Schedule.

B. Section III – Common Policy Conditions is amended as follows:

1. Paragraphs **A.2. and A.3. Cancellation** are replaced by the following:

2. We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.

2. The following is added to Paragraph **A. Cancellation:**

7. Cancellation Of Policies In Effect For 120 Days Or More

If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

- a. Nonpayment of premium;
- b. Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
- c. Substantial change in the risk assumed, except to the extent that:
 - (1) We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2) We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
- d. Substantial breaches of contractual duties, conditions or warranties; or
- e. Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

3. The following is added and supersedes any provisions to the contrary:

M. Nonrenewal

- 1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

2. If we decide not to renew this Policy, we will:

a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:

- (1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
- (2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
- (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Any notice of nonrenewal will state the precise reason for nonrenewal.

C. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

Paragraph **d.** of the definition of "loss" in Paragraph **V.** is replaced by the following:

- d.** With respect to Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability, "loss" means damages, settlement amounts and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, the multiplied portion of multiplied damages, taxes, royalties, the amount of any disgorged profits, or matters that are uninsurable pursuant to applicable law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A. The **Cancellation** Common Policy Condition is amended as follows:**
- 1. Paragraph 2. is replaced by the following:**

We will mail or deliver to you and your agent written notice of cancellation, stating the reason(s) for cancellation, at the addresses shown in the Policy, at least:

 - a. 10 days before the effective date of cancellation if cancellation is for nonpayment of premium; or**
 - b. 30 days before the effective date of cancellation if cancellation is for any other reason.**
 - 2. The following is added to Paragraph 4.:**

If this Policy is cancelled during the first 60 days, and is not a renewal or a continuation policy, the cancellation will be effective only on or after the 61st day of the policy period. However, if this Policy is cancelled for nonpayment of premium, the cancellation will become effective only on or after the 31st day of the policy period.
 - 3. The following is added:**

If this Policy has been in effect for more than 120 days, we may cancel this Policy only for the following reasons:

 - a. Nonpayment of premium;**
- b. Material misrepresentation of fact, which if known to us would have caused us not to issue the Policy;**
- c. Substantial change in the risk assumed, except to the extent that:**
- (1) We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or**
 - (2) We should have reasonably foreseen the change or contemplated the risk in writing the Policy;**
- d. Substantial breach of contractual duties, conditions or warranties; or**
- e. Loss of our reinsurance covering all or a significant part of the particular risk insured, or where continuation of the Policy would imperil our solvency or place us in violation of the laws of South Carolina.**
- B. Nonrenewal**
- If we decide not to renew or continue this Policy, we will mail to you and your agent written notice, stating the reason(s) for nonrenewal, at the addresses shown in the Policy, at least 30 days before the end of the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

1. Paragraphs **b.** and **c.** of the **Cancellation** Condition are replaced by the following:
 - b.** We may cancel this Policy by mailing or delivering to the first Named Insured, the "contractor" and the agent, if any, written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - c.** We will mail or deliver our notice to the first Named Insured's, the "contractor's" and the agent's last known addresses.
2. The following is added to the **Cancellation** Condition:
 - g.** If this Policy has been in effect for 120 days or more or is a renewal or continuation of a policy we issued, it may be cancelled by us for one or more of the following reasons only and in accordance with the provisions in Paragraph **b.** above:
 - (1) Nonpayment of premium.
 - (2) Material misrepresentation of fact which if known to us, would have caused us not to issue the Policy.
 - (3) Substantial change in the risk assumed, except to the extent that:
 - (a) We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (b) We should reasonably have foreseen the change or contemplated the risk in writing the Policy.
 - (4) Substantial breaches of contractual duties, conditions or warranties.
- (5) Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this item (5), we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.
3. Any **When We Do Not Renew** Condition is deleted and replaced by the following:

NONRENEWAL

 - a.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
 - b.** If we decide not to renew this policy, we will:
 - (1) Mail or deliver written notice of nonrenewal to the first Named Insured, the "contractor" and agent, if any, before:
 - (a) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (b) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and
 - (2) Provide at least:
 - (a) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or

- (b)** 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
- c.** The notice will be mailed or delivered to the first Named Insured, the "contractor" and the agent at their last known addresses. Proof of mailing will be sufficient proof of notice.
- d.** Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

A. The **Cancellation** Condition (Section **IV**) is replaced by the following:

3. Cancellation

a. You may cancel this Policy by mailing to us advance written notice of cancellation.

b. Cancellation of Policies In Effect For Less Than 120 Days

If this Policy has been in effect for less than 120 days, we may cancel this Policy by mailing or delivering to you, the "contractor", any involved governmental authority or other contracting party designated in the Declarations and the agent, if any, at the respective mailing addresses last known to us, written notice of cancellation at least 60 days before the effective date of cancellation.

c. Cancellation of Policies In Effect for 120 Days or More

If this Policy has been in effect for 120 days or more, or if this Policy is a renewal or continuation of a policy we issued, we may cancel this Policy by mailing or delivering to you, the "contractor", any involved governmental authority or other contracting party designated in the Declarations and the agent, if any, at the respective mailing addresses last known to us, written notice of cancellation:

(1) At least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or

(2) At least 30 days before the effective date of cancellation if we cancel for any other reason.

We may only cancel this Policy based on one or more of the following reasons:

(1) Nonpayment of premium.

(2) Material misrepresentation of fact which if known to us, would have caused us not to issue the Policy.

(3) Substantial change in the risk assumed, except to the extent that:

(a) We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or

(b) We should reasonably have foreseen the change or contemplated the risk in writing the Policy.

(4) Substantial breaches of contractual duties, conditions or warranties.

(5) Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this item **(5)**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

e. If this Policy is cancelled, any unearned premium will be refunded. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

f. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Any **When We Do Not Renew** Condition is deleted and replaced by the following:

NONRENEWAL

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

2. If we decide not to renew this Policy, we will:

a. Mail or deliver written notice of nonrenewal to you, the "contractor", any involved governmental authority or other contracting party designated in the Declarations and the agent, if any, before:

(1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or

(2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

(1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or

(2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

3. The notice will be mailed or delivered to you, the "contractor", any involved governmental authority or other contracting party designated in the Declarations and the agent at their last known addresses. Proof mailing will be sufficient proof of notice.

4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

UNDERGROUND STORAGE TANK POLICY

A. Condition 10. Cancellation (Section IV – Conditions) is replaced by the following:

10. Cancellation

- a.** The first Named Insured may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
- b.** If this Policy has been in effect for less than 120 days, we may cancel this Policy by sending by certified mail, or delivering to you and the agent, if any, a written notice, stating the precise reason(s) for cancellation, at the last mailing addresses known to us.

Cancellation will be effective:

- (1)** 10 days after you receive notice of cancellation if we cancel for nonpayment of premium;
- (2)** 30 days after you receive notice of cancellation if we cancel for material misrepresentation by you; or
- (3)** 60 days after you receive notice of cancellation if we cancel for any other reason,

unless we specify a later date in our notice as the effective date of cancellation.

- c.** If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy:
 - (1)** Only for one or more of the following reasons:
 - (a)** Nonpayment of premium;
 - (b)** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;

(c) Substantial change in the risk assumed, except to the extent that:

- i.** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
- ii.** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;

(d) Substantial breaches of contractual duties, conditions or warranties; or

(e) Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in paragraph **(e)**, we will notify the Commissioner, in writing, at least 90 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action; and

- (2)** By sending by certified mail, or delivering, to you and the agent, if any, a written notice, stating the precise reason(s) for cancellation, at the last mailing addresses known to us.

Cancellation will be effective:

- (a) 10 days after you receive notice of cancellation if we cancel for nonpayment of premium;
- (b) 30 days after you receive notice of cancellation if we cancel for material misrepresentation by you; or
- (c) 60 days after you receive notice of cancellation if we cancel for any other permissible reason,

unless we specify a later date in our notice as the effective date of cancellation.

- d. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

B. Condition 11. Nonrenewal (Section IV – Conditions) is replaced by the following:

11. Nonrenewal

- a. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

b. If we decide not to renew this Policy, we will:

(1) Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:

- (a) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
- (b) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

(2) Provide at least:

- (a) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
- (b) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

c. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.

d. We will send our nonrenewal notice by certified mail, or deliver it, to you and the agent, if any, at the last mailing addresses known to us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

ELECTRONIC DATA LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART

- A.** Paragraphs **2.** and **3.** of **Cancellation** Common Policy Condition are replaced by the following:
- 2.** We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
 - 3.** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.
- B.** The following is added to the **Cancellation** Common Policy Condition:
- 7. Cancellation Of Policies In Effect For 120 Days Or More**
- If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
- a.** Nonpayment of premium;
 - b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
 - c.** Substantial change in the risk assumed, except to the extent that:
 - (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - d.** Substantial breaches of contractual duties, conditions or warranties; or
- e.** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.
- Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.
- Any notice of cancellation will state the precise reason for cancellation.
- C.** The following is added and supersedes any provisions to the contrary:
- NONRENEWAL**
- 1.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
 - 2.** If we decide not to renew this Policy, we will:
 - a.** Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1)** The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2)** An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and
 - b.** Provide at least:
 - (1)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or

- (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA 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. Paragraphs (2) and (3) of the Cancellation Of Policy Condition are replaced by the following:

- (2)** We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - (a)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (b)** 30 days before the effective date of cancellation if we cancel for any other reason.
- (3)** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.

B. The following is added to the Cancellation Of Policy Condition:

(7) Cancellation Of Policies In Effect For 120 Days Or More

If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

- (a)** Nonpayment of premium;
- (b)** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
- (c)** Substantial change in the risk assumed, except to the extent that:
 - i.** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or

ii. We should reasonably have foreseen the change or contemplated the risk in writing the Policy;

- (d)** Substantial breaches of contractual duties, conditions or warranties; or
- (e)** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Paragraph **B.(7)(e)**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

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

Nonrenewal

- 1.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

2. If we decide not to renew this Policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and
 - b. Provide at least:
 - (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
 - (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A. Paragraphs 2., 3. and 4. of the Cancellation Common Policy Condition are replaced by the following:**
- 2.** We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
 - 3.** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.
 - 4.** Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

If this Policy is canceled during the first 60 days, and is not a renewal or a continuation policy, the cancellation will be effective only on or after the 61st day of the policy period.
- B. The following is added to the Cancellation Common Policy Condition:**
- 7. Cancellation Of Policies In Effect For 120 Days Or More**
- If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
- a.** Nonpayment of premium;
- b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
 - c.** Substantial change in the risk assumed, except to the extent that:
 - (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - d.** Substantial breaches of contractual duties, conditions or warranties; or
 - e.** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.
- Any notice of cancellation will state the precise reason for cancellation.

C. Condition 10. **When We Do Not Renew** of **Section IV – Conditions** is replaced by the following:

WHEN WE DO NOT RENEW

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
2. If we decide not to renew this Policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
 - (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
 4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

- A. Paragraphs b., c. and d. of Paragraph 5. Cancellation of Section III – Conditions** are replaced by the following:
- b.** We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - c.** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.
 - d.** Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

If this Policy is canceled during the first 60 days, and is not a renewal or a continuation policy, the cancellation will be effective only on or after the 61st day of the policy period.
- B. The following is added to Paragraph 5. Cancellation of Section III – Conditions:**
- g. Cancellation Of Policies In Effect For 120 Days Or More**

If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
- (3) Substantial change in the risk assumed, except to the extent that:
 - (a) We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (b) We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - (4) Substantial breaches of contractual duties, conditions or warranties; or
 - (5) Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item (5), we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.
- C. Paragraph 13. When We Do Not Renew of Section III – Conditions** is replaced by the following:
- WHEN WE DO NOT RENEW**
- 1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

2. If we decide not to renew this Policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and
 - b. Provide at least:
 - (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL CYBER INSURANCE POLICY
FINANCIAL INSTITUTIONS INFORMATION SECURITY PROTECTION CYBER POLICY
INFORMATION SECURITY PROTECTION CYBER POLICY
MEDIA AND INFORMATION SECURITY PROTECTION CYBER POLICY

- A. Paragraphs b. and c. of the Cancellation Condition in Section VI – Conditions are replaced by the following:**
- b.** We may cancel this Policy by mailing or delivering to the first "named insured" and the agent, if any, written notice of cancellation at least:
 - (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2)** 30 days before the effective date of cancellation if we cancel for any other reason.
 - c.** We will mail or deliver our notice to the first "named insured's" and agent's last known addresses.
- B. The following is added to the Cancellation Condition in Section VI – Conditions:**
- g. Cancellation Of Policies In Effect For 120 Days Or More**

If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

 - (1)** Nonpayment of premium;
 - (2)** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
 - (3)** Substantial change in the risk assumed, except to the extent that:
 - (a)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (b)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
- (4)** Substantial breaches of contractual duties, conditions or warranties; or
 - (5)** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Paragraph **(5)**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.
- C. The following is added to Section VI – Conditions and supersedes any provisions to the contrary:**
- Nonrenewal**
- 1.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
 - 2.** If we decide not to renew this Policy, we will:
 - a.** Mail or deliver written notice of nonrenewal to the first "named insured" and agent, if any, before:
 - (1)** The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2)** An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
- (2)** 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

- 3.** Any notice of nonrenewal will be mailed or delivered to the first "named insured's" and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 4.** Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

FARM UMBRELLA LIABILITY POLICY

- A.** Paragraphs **2.**, **3.** and **4.** of the **Cancellation** Common Policy Condition are replaced by the following:
- 2.** We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
 - 3.** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.
 - 4.** Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

If this Policy is canceled during the first 60 days, and is not a renewal or a continuation policy, the cancellation will be effective only on or after the 61st day of the policy period.
- B.** The following is added to the **Cancellation** Common Policy Condition:
- 7. Cancellation Of Policies In Effect For 120 Days Or More**
- If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
- a.** Nonpayment of premium;
 - b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
- c.** Substantial change in the risk assumed, except to the extent that:
- (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
- d.** Substantial breaches of contractual duties, conditions or warranties; or
- e.** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.
- Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.
- Any notice of cancellation will state the precise reason for cancellation.
- C.** The following condition is added and supersedes any other provision to the contrary:
- NONRENEWAL**
- 1.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

2. If we decide not to renew this Policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and
 - b. Provide at least:
 - (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
 - (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL FLOOD POLICY

A. Paragraphs b. and c. of the Cancellation Condition are replaced by the following:

b. We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:

- (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2)** 30 days before the effective date of cancellation if we cancel for any other reason.

c. We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.

B. The following is added to the Cancellation Condition:

g. Cancellation Of Policies In Effect For 120 Days Or More

If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

- (1)** Nonpayment of premium;
- (2)** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
- (3)** Substantial change in the risk assumed, except to the extent that:
 - (a)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (b)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
- (4)** Substantial breaches of contractual duties, conditions or warranties; or

(5) Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item **(5)**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

C. The Nonrenewal Condition is replaced by the following:

11. Nonrenewal

a. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

b. If we decide not to renew this Policy, we will:

(1) Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:

(a) The expiration date of this Policy, if the Policy is written for a term of one year or less; or

(b) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

(2) Provide at least:

(a) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or

(b) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

c. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.

d. Any notice of nonrenewal will state the precise reason for nonrenewal.

D. The **Legal Action Against Us** Condition is replaced by the following:

4. Legal Action Against Us

No one may bring a legal action against us under this Policy unless:

a. There has been full compliance with all of the terms of this Policy; and

b. The action is brought within three years after the date on which the direct physical loss or damage occurred.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

FARM EXCESS LIABILITY POLICY

- A.** Paragraphs **b.**, **c.** and **d.** of Condition **15. Cancellation** under **Section III – Conditions** are replaced by the following:
- b.** We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - c.** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.
 - d.** Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

If this Policy is canceled during the first 60 days, and is not a renewal or a continuation policy, the cancellation will be effective only on or after the 61st day of the policy period.
- B.** The following is added to the **Cancellation** Condition:
- g. Cancellation Of Policies In Effect For 120 Days Or More**

If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
- (3) Substantial change in the risk assumed, except to the extent that:
 - (a) We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (b) We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - (4) Substantial breaches of contractual duties, conditions or warranties; or
 - (5) Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item (5), we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.
- C.** The following Condition is added and supersedes any other provision to the contrary:
- ### **NONRENEWAL**
- 1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

2. If we decide not to renew this Policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and
 - b. Provide at least:
 - (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
 - (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

FINANCIAL INSTITUTION COMBINATION SAFE DEPOSITORY POLICY
FINANCIAL INSTITUTION COMPUTER CRIME POLICY
FINANCIAL INSTITUTION CRIME POLICY FOR BANKS AND SAVINGS INSTITUTIONS
FINANCIAL INSTITUTION CRIME POLICY FOR FINANCE COMPANIES
FINANCIAL INSTITUTION CRIME POLICY FOR INSURANCE COMPANIES
FINANCIAL INSTITUTION CRIME POLICY FOR MORTGAGE BANKERS
FINANCIAL INSTITUTION CRIME POLICY FOR SECURITIES BROKERS AND DEALERS
FINANCIAL INSTITUTION KIDNAP/RANSOM AND EXTORTION POLICY

A. Paragraphs a.(2) and a.(3) of the Policy Cancellation Or Termination Condition are replaced by the following:

(2) We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:

(a) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or

(b) 30 days before the effective date of cancellation, if we cancel for any other reason.

(3) We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.

B. The following is added to Paragraph a. of the Policy Cancellation Or Termination Condition:

(7) Cancellation Of Policies In Effect For 120 Days Or More

If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

(a) Nonpayment of premium;

(b) Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;

(c) Substantial change in the risk assumed, except to the extent that:

(i) We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or

(ii) We should reasonably have foreseen the change or contemplated the risk in writing the Policy;

(d) Substantial breaches of contractual duties, conditions or warranties; or

(e) Loss of our reinsurance covering all or a significant portion of the particular policy insured or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Paragraph **B.a.(7)(e)**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

C. The following condition is added to Section E. **Conditions** and supersedes any other provisions to the contrary:

Nonrenewal

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
2. If we decide not to renew this Policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
 - (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
 4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

FINANCIAL INSTITUTION CRIME POLICY FOR INVESTMENT COMPANIES

A. The following are added to Paragraph **a.(2)** of the **Policy Cancellation Or Termination** Condition:

(c) Cancellation Of Policies In Effect For Less Than 120 Days

(i) We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, to all "investment companies" named in the Declarations and to the Securities and Exchange Commission, Washington, D.C., written notice of cancellation at least 60 days before the effective date of cancellation.

(d) Cancellation Of Policies In Effect For 120 Days Or More

If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

- (i)** Nonpayment of premium;
- (ii)** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
- (iii)** Substantial change in the risk assumed, except to the extent that:
 - (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
- (iv)** Substantial breaches of contractual duties, conditions or warranties; or

(v) Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Paragraph **A.(d)(v)**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

B. The following condition is added to Section **E. Conditions** and supersedes any other provisions to the contrary:

Nonrenewal

- 1.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
- 2.** If we decide not to renew this Policy, we will:
 - a.** Mail or deliver written notice of nonrenewal to the first Named Insured, to all "investment companies" named in the Declarations and to the Securities and Exchange Commission, Washington, D.C., and agent, if any, before:
 - (1)** The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2)** An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
- (2)** 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

3. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

FINANCIAL INSTITUTION CRIME POLICY FOR CREDIT UNIONS

A. Paragraphs a.(2) and a.(3) of the Policy Cancellation Or Termination Condition are replaced by the following:

(2) We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:

(a) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or

(b) 30 days before the effective date of cancellation, if we cancel for any other reason.

(3) We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.

B. The following is added to Paragraph a. of the Policy Cancellation Or Termination Condition:

(8) Cancellation Of Policies In Effect For 120 Days Or More

If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

(a) Nonpayment of premium;

(b) Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;

(c) Substantial change in the risk assumed, except to the extent that:

(i) We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or

(ii) We should reasonably have foreseen the change or contemplated the risk in writing the Policy;

(d) Substantial breaches of contractual duties, conditions or warranties; or

(e) Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Paragraph **B.a.(8)(e)**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

C. The following condition is added to Section E. Conditions and supersedes any other provisions to the contrary:

Nonrenewal

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

2. If we decide not to renew this Policy, we will:

a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:

(1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or

(2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

- b.** Provide at least:
 - (1)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
 - (2)** 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
- 3.** Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 4.** Any notice of nonrenewal will state the precise reason for nonrenewal.
- 5.** We will provide written notice of nonrenewal to the first Named Insured's state or federal supervisory authority, including the National Credit Union Administration, when required.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

HOME HEALTHCARE COVERAGE PART

- A.** Paragraphs **2.** and **3.** of **I. Cancellation** under **Section V – Conditions** are replaced by the following:
- 2.** We may cancel this Policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
 - 3.** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.
- B.** The following is added to Paragraph **I. Cancellation** under **Section V – Conditions**:
- 7. Cancellation Of Policies In Effect For 120 Days Or More**
- If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
- a.** Nonpayment of premium;
 - b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
 - c.** Substantial change in the risk assumed, except to the extent that:
 - (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - d.** Substantial breaches of contractual duties, conditions or warranties; or
- e.** Loss of our reinsurance covering all or a significant portion of the particular Policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.
- Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.
- Any notice of cancellation will state the precise reason for cancellation.
- C.** Paragraph **G. When We Do Not Renew** under **Section V – Conditions** is replaced by the following:
- G. When We Do Not Renew**
- 1.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
 - 2.** If we decide not to renew this Policy, we will:
 - a.** Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1)** The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2)** An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
- (2)** 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

- 3.** Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 4.** Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY POLICY

- A. Paragraphs 2. and 3. under K. Cancellation of Section VI – Conditions** are replaced by the following:
- 2.** We may cancel this Policy by mailing or delivering to the first "named insured" and the agent, if any, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
 - 3.** We will mail or deliver our notice to the first "named insured's" and agent's last known addresses.
- B. The following is added to Paragraph K. Cancellation of Section VI – Conditions:**
- 7.** If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
 - a.** Nonpayment of premium;
 - b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
 - c.** Substantial change in the risk assumed, except to the extent that:
 - (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - d.** Substantial breaches of contractual duties, conditions or warranties; or
- e.** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.
- Prior to cancellation for reasons permitted in this Paragraph **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.
- Any notice of cancellation will state the precise reason for cancellation.
- C. Paragraph L. of Section VI – Conditions is replaced by the following:**
- L. When We Do Not Renew**
- 1.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
 - 2.** If we decide not to renew this Policy, we will:
 - a.** Mail or deliver written notice of nonrenewal to the first "named insured" and agent, if any, before:
 - (1)** The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2)** An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
- (2)** 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

- 3.** Any notice of nonrenewal will be mailed or delivered to the first "named insured's" and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 4.** Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** Paragraphs **2.** and **3.** of **Cancellation** Common Policy Condition are replaced by the following:
- 2.** We may cancel this policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
 - 3.** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.
- B.** The following is added to the **Cancellation** Common Policy Condition:
- 7. Cancellation Of Policies In Effect For 120 Days Or More**
- If this policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this policy only for one or more of the following reasons:
- a.** Nonpayment of premium;
 - b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the policy;
 - c.** Substantial change in the risk assumed, except to the extent that:
 - (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the policy;
 - d.** Substantial breaches of contractual duties, conditions or warranties; or
 - e.** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
2. If we decide not to renew this policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1) The expiration date of this policy, if the policy is written for a term of one year or less; or
 - (2) An anniversary date of this policy, if the policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
 - (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
 4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

LAWYERS PROFESSIONAL LIABILITY POLICY

A. Paragraphs L.2. and L.3. of Section VI – Conditions are replaced by the following:

L. Cancellation

2. We may cancel this Policy by mailing or delivering to the first "named insured" and the agent, if any, written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first "named insured's" and agent's last known addresses.

B. The following is added to Paragraph L. of Section VI – Conditions:

L. Cancellation

7. If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
 - a. Nonpayment of premium;
 - b. Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
 - c. Substantial change in the risk assumed, except to the extent that:
 - (1) We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2) We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - d. Substantial breaches of contractual duties, conditions or warranties; or

e. Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

C. Paragraph M. of Section VI – Conditions is replaced by the following:

M. When We Do Not Renew

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
2. If we decide not to renew this Policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first "named insured" and agent, if any, before:
 - (1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and
 - b. Provide at least:
 - (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or

- (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first "named insured's" and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

MISCELLANEOUS PROFESSIONAL LIABILITY POLICY

- A. Paragraphs b. and c. of 1. Cancellation under C. Cancellation And Nonrenewal of Section IX – Conditions are replaced by the following:**
- b.** "We" may cancel this Policy by mailing or delivering to the "named insured" and the agent, if any, written notice of cancellation at least:
 - (1)** 10 days before the effective date of cancellation if "we" cancel for nonpayment of premium; or
 - (2)** 30 days before the effective date of cancellation if "we" cancel for any other reason.
 - c.** "We" will mail or deliver our notice to the "named insured's" and agent's last known addresses.
- B. The following is added to Paragraph C.1. Cancellation under C. Cancellation And Nonrenewal of Section IX – Conditions:**
- g.** If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy "we" issued, "we" may cancel this Policy only for one or more of the following reasons:
 - (1)** Nonpayment of premium;
 - (2)** Material misrepresentation of fact which, if known to "us", would have caused "us" not to issue the Policy;
 - (3)** Substantial change in the risk assumed, except to the extent that:
 - (a)** "We" had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (b)** "We" should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - (4)** Substantial breaches of contractual duties, conditions or warranties; or
 - (5)** Loss of "our" reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil "our" solvency or place "us" in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Paragraph **(5)**, "we" will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.
- C. Paragraph 2. Nonrenewal under C. Cancellation And Nonrenewal of Section IX – Conditions is replaced by the following:**
- 2. Nonrenewal**
- a.** "We" will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
 - b.** If "we" decide not to renew this Policy, "we" will:
 - (1)** Mail or deliver written notice of nonrenewal to the "named insured" and agent, if any, before:
 - (a)** The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (b)** An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

- (2)** Provide at least:
- (a)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
 - (b)** 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
- c.** Any notice of nonrenewal will be mailed or delivered to the "named insured's" and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
- d.** Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under this Policy's Liability Coverage Parts.

- A. Paragraphs b. and c. of 1. Cancellation** under **D. Cancellation And Nonrenewal of Section VII – Conditions** of the Liability Coverage Parts Common Policy Terms And Conditions are replaced by the following:
- b.** We may cancel this Policy by mailing or delivering to the "named insured" and the agent, if any, written notice of cancellation at least:
 - (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2)** 30 days before the effective date of cancellation if we cancel for any other reason.
 - c.** We will mail or deliver our notice to the "named insured's" and agent's last known addresses.
- B. The following is added to Paragraph D.1. Cancellation** under **D. Cancellation And Nonrenewal of Section VII – Conditions** of the Liability Coverage Parts Common Policy Terms And Conditions:
- g.** If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
 - (1)** Nonpayment of premium;
 - (2)** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
 - (3)** Substantial change in the risk assumed, except to the extent that:
 - (a)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (b)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - (4)** Substantial breaches of contractual duties, conditions or warranties; or
 - (5)** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Paragraph **(5)**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.
- C. Paragraph 2. Nonrenewal** under **D. Cancellation And Nonrenewal of Section VII – Conditions** of the Liability Coverage Parts Common Policy Terms And Conditions is replaced by the following:
- 2. Nonrenewal**
- a.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
 - b.** If we decide not to renew this Policy, we will:
 - (1)** Mail or deliver written notice of nonrenewal to the "named insured" and agent, if any, before:
 - (a)** The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (b)** An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

- (2)** Provide at least:
- (a)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
 - (b)** 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
- c.** Any notice of nonrenewal will be mailed or delivered to the "named insured's" and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
- d.** Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

EXECUTIVE LIABILITY COVERAGE PART
FIDUCIARY LIABILITY COVERAGE PART
FINANCIAL INSTITUTIONS EXECUTIVE LIABILITY COVERAGE PART
NOT-FOR-PROFIT MANAGEMENT LIABILITY COVERAGE PART

A. Paragraphs **2.** and **3.** of **Cancellation** Common Policy Condition are replaced by the following:

2. We may cancel this Policy by mailing or delivering to the Named Organization and the agent, if any, written notice of cancellation at least:

- a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b.** 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the Named Organization's and agent's last known addresses.

B. The following is added to the **Cancellation** Common Policy Condition:

7. Cancellation Of Policies In Effect For 120 Days Or More

If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

- a.** Nonpayment of premium;
- b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
- c.** Substantial change in the risk assumed, except to the extent that:
 - (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;

d. Substantial breaches of contractual duties, conditions or warranties; or

e. Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

2. If we decide not to renew this Policy, we will:

a. Mail or deliver written notice of nonrenewal to the Named Organization and agent, if any, before:

- (1)** The expiration date of this Policy, if the Policy is written for a term of one year or less; or
- (2)** An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
- (2)** 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

- 3.** Any notice of nonrenewal will be mailed or delivered to the Named Organization's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 4.** Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

REAL ESTATE AGENTS AND BROKERS PROFESSIONAL LIABILITY POLICY

- A. Paragraphs 2. and 3. under K. Cancellation of Section VI – Conditions** are replaced by the following:
- 2.** We may cancel this Policy by mailing or delivering to the first "named insured" and the agent, if any, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
 - 3.** We will mail or deliver our notice to the first "named insured's" and agent's last known addresses.
- B. The following is added to Paragraph K. Cancellation of Section VI – Conditions:**
- 7.** If this Policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
 - a.** Nonpayment of premium;
 - b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy;
 - c.** Substantial change in the risk assumed, except to the extent that:
 - (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - d.** Substantial breaches of contractual duties, conditions or warranties; or
- e.** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.
- Prior to cancellation for reasons permitted in this Paragraph **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.
- Any notice of cancellation will state the precise reason for cancellation.
- C. Paragraph L. of Section VI – Conditions** is replaced by the following:
- L. When We Do Not Renew**
- 1.** We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
 - 2.** If we decide not to renew this Policy, we will:
 - a.** Mail or deliver written notice of nonrenewal to the first "named insured" and agent, if any, before:
 - (1)** The expiration date of this Policy, if the Policy is written for a term of one year or less; or
 - (2)** An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1)** 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
- (2)** 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

- 3.** Any notice of nonrenewal will be mailed or delivered to the first "named insured's" and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 4.** Any notice of nonrenewal will state the precise reason for nonrenewal.