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 60 days' notice of nonrenewal.

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.