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 60 days' notice of nonrenewal.

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.