SOUTH CAROLINA CHANGES –  
MICRO-BUSINESSOWNERS

This endorsement modifies insurance provided under the following:

MICRO-BUSINESSOWNERS COVERAGE FORM

A. Section I – Property is amended as follows:

Paragraph **E.4. Legal Action Against Us** Property LossCondition 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.

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

1. Paragraphs 2. and 3. of A. 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. 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 the expiration date of this Policy; and

b. Provide at least 60 days' notice of nonrenewal.

2. 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.

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