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:

2. 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. 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 60 days' notice of nonrenewal.

3. Any notice of nonrenewal will be mailed or delivered to the address of the first Named Insured and agent, if any, shown in the Policy or, if none is shown, then to their 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.