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 at least 60 days before the effective date of cancellation.

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 60 days' notice of nonrenewal.

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.