GEORGIA CHANGES

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This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY  
COMMERCIAL FIDELITY AND FORGERY POLICY  
GOVERNMENT CRIME POLICY  
GOVERNMENT FIDELITY AND FORGERY POLICY  
KIDNAP/RANSOM AND EXTORTION POLICY

A. Under the Commercial Crime Policy, Commercial Fidelity And Forgery Policy, Government Crime Policy and Government Fidelity And Forgery Policy, Paragraph (a) of the Policy Cancellation Condition is replaced by the following:

(a) The first Named Insured shown in the Declarations may cancel this Policy by:

(i) Returning this Policy to us; or

(ii) Giving us or our authorized agent advance notice of cancellation in one of the following ways:

i. Orally;

ii. Electronically; or

iii. Mailing or delivering to us written notice;

stating a future date on which the Policy is to be cancelled, subject to the following:

(i) If only the interest of the first Named Insured is affected, the effective date of cancellation will be either the date:

i. This Policy is returned to us;

ii. We receive notice from the first Named Insured; or

iii. Specified in the notice;

whichever is latest.

However, upon receiving a notice of cancellation from the first Named Insured, we may waive the requirement that the notice state the future date of cancellation by confirming the date and time of cancellation to the first Named Insured.

(ii) If by statute, regulation or contract this Policy may not be cancelled unless notice is given to a governmental agency or other third party, we will mail or deliver at least 10 days' notice to the first Named Insured and the third party as soon as practicable after receiving the first Named Insured's request for cancellation.

Our notice will state the effective date of cancellation, which will be the later of the following:

i. 10 days from the date of mailing or delivering our notice; or

ii. The effective date of cancellation stated in the first Named Insured's notice to us.

(iii) In the event of oral cancellation, we shall, within 10 days, provide the first Named Insured, electronically or in writing, confirmation of such requested cancellation.

(iv) We may require that the first Named Insured provide written, electronic or other recorded verification of the request for cancellation prior to such cancellation taking effect.

B. Under the Commercial Crime Policy, Commercial Fidelity And Forgery Policy, Government Crime Policy and Government Fidelity And Forgery Policy, Paragraph (e) of the Policy Cancellation Condition is replaced by the following:

(e) Premium Refund

(i) If this Policy is cancelled, we will send the first Named Insured any premium refund due.

(ii) If we cancel, the refund will be pro rata, except as provided in Paragraph B.(e)(iii).

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(iii) If the cancellation results from failure of the first Named Insured to pay, when due, any premium to us or any amount, when due, under a premium finance agreement, then the refund may be less than pro rata. Calculation of the return premium at less than pro rata represents a penalty charged on unearned premium.

(iv) If the first Named Insured cancels, the refund may be less than pro rata.

(v) The cancellation will be effective even if we have not made or offered a refund.

C. Under the Commercial Crime Policy, Commercial Fidelity And Forgery Policy, Government Crime Policy and Government Fidelity And Forgery Policy, the following is added to the Policy Cancellation Condition:

(g) If we decide to:

(i) Cancel or nonrenew this Policy;

(ii) Increase current policy premium by more than 15% (other than any increase due to change in risk, exposure or experience modification or resulting from an audit of auditable coverages); or

(iii) Change any policy provision which would limit, restrict or remove coverage and which would result in a reduction of coverage as specified in GA. CODE ANN. § 33-24-47(g);

then:

We will mail or deliver notice of our action (including the dollar amount of any increase in renewal premium of more than 15%) to the first Named Insured at the last mailing address known to us. Except as applicable as described in Paragraph **D.** below, we will mail or deliver notice at least:

i. 10 days before the effective date of cancellation if this Policy has been in effect less than 60 days or if we cancel for nonpayment of premium;

ii. 45 days before the effective date of cancellation if this Policy has been in effect 60 or more days and we cancel for a reason other than nonpayment of premium;

iii. 45 days before the expiration date of this Policy if we decide to nonrenew or increase the premium; or

iv. 45 days prior to the effective date of the proposed change which would limit, restrict or remove coverage and which would result in a reduction of coverage as specified in GA. CODE ANN. § 33-24-47(g).

D. Under the Commercial Crime Policy, Commercial Fidelity And Forgery Policy, Government Crime Policy and Government Fidelity And Forgery Policy, with respect to a policy that is written to permit an audit, the following is added to the Policy Cancellation Condition:

If you fail to submit to or allow an audit for the current or most recently expired term, we may cancel this Policy subject to the following:

1. We will make two documented efforts to send you and your agent notification of potential cancellation. After the second notice has been sent, we have the right to cancel this Policy by mailing or delivering a written notice of cancellation to the first Named Insured at least 10 days before the effective date of cancellation, but not within 20 days of the first documented effort.

2. If we cancel this Policy based on your failure to submit to or allow an audit, we will send the written notice of cancellation to the first Named Insured at the last mailing address known to us by certified mail or statutory overnight delivery with return receipt requested.

E. Under the Commercial Crime Policy, Commercial Fidelity And Forgery Policy, Government Crime Policy and Government Fidelity And Forgery Policy, the Other Insurance Condition is replaced by the following:

Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

1. Primary Insurance

When this Policy is written as primary insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss. Our payment for loss is subject to the terms and conditions of this Policy.

2. Excess Insurance

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a. When this Policy is written excess over other insurance, we will pay only our share of the amount of loss that exceeds the limit of insurance and deductible amount of that other insurance. Our payment for loss is subject to the terms and conditions of this Policy.

b. However, if loss covered under this Policy is subject to a deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any deductible amount applicable to that other insurance.

F. Under the Kidnap/Ransom And Extortion Policy, Paragraph (1) of the Cancellation Of Policy Condition is replaced by the following:

(1) The first Named Insured shown in the Declarations may cancel this Policy by:

(a) Returning this Policy to us; or

(b) Giving us or our authorized agent advance notice of cancellation in one of the following ways:

(i) Orally;

(ii) Electronically; or

(iii) Mailing or delivering to us written notice;

stating a future date on which the Policy is to be cancelled, subject to the following:

(a) If only the interest of the first Named Insured is affected, the effective date of cancellation will be either the date:

(i) This Policy is returned to us;

(ii) We receive notice from the first Named Insured; or

(iii) Specified in the notice;

whichever is latest.

However, upon receiving a notice of cancellation from the first Named Insured, we may waive the requirement that the notice state the future date of cancellation by confirming the date and time of cancellation to the first Named Insured.

(b) If by statute, regulation or contract this Policy may not be cancelled unless notice is given to a governmental agency or other third party, we will mail or deliver at least 10 days' notice to the first Named Insured and the third party as soon as practicable after receiving the first Named Insured's request for cancellation.

Our notice will state the effective date of cancellation, which will be the later of the following:

(i) 10 days from the date of mailing or delivering our notice; or

(ii) The effective date of cancellation stated in the first Named Insured's notice to us.

(c) In the event of oral cancellation, we shall, within 10 days, provide the first Named Insured, electronically or in writing, confirmation of such requested cancellation.

(d) We may require that the first Named Insured provide written, electronic or other recorded verification of the request for cancellation prior to such cancellation taking effect.

G. Under the Kidnap/Ransom And Extortion Policy, Paragraph (5) of the Cancellation Of Policy Condition is replaced by the following:

(5) Premium Refund

(a) If this Policy is cancelled, we will send the first Named Insured any premium refund due.

(b) If we cancel, the refund will be pro rata, except as provided in Paragraph G.(5)(c).

(c) If the cancellation results from failure of the first Named Insured to pay, when due, any premium to us or any amount, when due, under a premium finance agreement, then the refund may be less than pro rata. Calculation of the return premium at less than pro rata represents a penalty charged on unearned premium.

(d) If the first Named Insured cancels, the refund may be less than pro rata.

(e) The cancellation will be effective even if we have not made or offered a refund.

H. Under the Kidnap/Ransom And Extortion Policy, the following is added to the Cancellation Of Policy Condition:

(7) If we decide to:

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(a) Cancel or nonrenew this Policy;

(b) Increase current policy premium by more than 15% (other than any increase due to change in risk, exposure or experience modification or resulting from an audit of auditable coverages); or

(c) Change any policy provision which would limit, restrict or remove coverage and which would result in a reduction of coverage as specified in GA. CODE ANN. § 33-24-47(g);

then:

We will mail or deliver notice of our action (including the dollar amount of any increase in renewal premium of more than 15%) to the first Named Insured at the last mailing address known to us. Except as applicable as described in Paragraph **I.** below, we will mail or deliver notice at least:

(i) 10 days before the effective date of cancellation if this Policy has been in effect less than 60 days or if we cancel for nonpayment of premium;

(ii) 45 days before the effective date of cancellation if this Policy has been in effect 60 or more days and we cancel for a reason other than nonpayment of premium;

(iii) 45 days before the expiration date of this Policy if we decide to nonrenew or increase the premium; or

(iv) 45 days prior to the effective date of the proposed change which would limit, restrict or remove coverage and which would result in a reduction of coverage as specified in GA. CODE ANN. § 33-24-47(g).

I. Under the Kidnap/Ransom And Extortion Policy, with respect to a policy that is written to permit an audit, the following is added to the Cancellation Of Policy Condition:

If you fail to submit to or allow an audit for the current or most recently expired term, we may cancel this Policy subject to the following:

1. We will make two documented efforts to send you and your agent notification of potential cancellation. After the second notice has been sent, we have the right to cancel this Policy by mailing or delivering a written notice of cancellation to the first Named Insured at least 10 days before the effective date of cancellation, but not within 20 days of the first documented effort.

2. If we cancel this Policy based on your failure to submit to or allow an audit, we will send the written notice of cancellation to the first Named Insured at the last mailing address known to us by certified mail or statutory overnight delivery with return receipt requested.

J. Under the Kidnap/Ransom And Extortion Policy, Paragraph o. Other Insurance is replaced by the following:

o. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(1) Primary Insurance

When this Policy is written as primary insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss. Our payment for loss is subject to the terms and conditions of this Policy.

(2) Excess Insurance

(a) When this Policy is written excess over other insurance, we will pay only our share of the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance. Our payment for loss is subject to the terms and conditions of this Policy.

(b) However, if loss covered under this Policy is subject to a deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

K. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following:

Concealment, Misrepresentation Or Fraud

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or

2. Fraud;

committed by you or any other Insured, at any time, and relating to coverage under this Policy.

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