

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**GEORGIA CHANGES – CANCELLATION AND NONRENEWAL**

*This endorsement modifies insurance provided by the policy to which this form is attached.*

**A.** Paragraph **A.1.** of the **Cancellation** Common 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:
    - (1) Orally;
    - (2) Electronically; or
    - (3) Mailing or delivering to us written notice;

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

- c. If only the interest of the first Named Insured is affected, the effective date of cancellation will be either the date:
  - (1) This policy is returned to us;
  - (2) We receive notice from the first Named Insured; or
  - (3) Specified in the notice;
 whichever is later.

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.

- d. If by statute, regulation or contract this policy may not be cancelled unless notice is given to a governmental agency, mortgagee 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:

- (1) 10 days from the date of mailing or delivering our notice; or
  - (2) The effective date of cancellation stated in the first Named Insured's notice to us.
- e. 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.
  - f. 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.** Paragraph **A.5.** of the **Cancellation** Common 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 **c.** below.
- 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.

C. The following is added to the **Cancellation** Common Policy Condition and supersedes any other provisions to the contrary:

If we decide to:

1. Cancel or nonrenew this policy;
2. 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
3. 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 as described in Paragraphs **1.** and **2.** above to the first Named Insured and lienholder, if any, at the last mailing address known to us. We will mail or deliver notice of our action regarding any change in policy provisions as described in Paragraph **3.** above to the first Named Insured. Except as applicable as described in Paragraph **D.** or **E.** below, we will mail or deliver notice at least:

- a. 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;
- b. 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;
- c. 45 days before the expiration date of this policy if we decide to nonrenew or increase the premium; or
- d. 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. The following provisions apply to insurance covering residential real property only provided under the:

Capital Assets Program (Output Policy) Coverage Part;

Commercial Property Coverage Part;

Environmental Services Businessowners Coverage Form, Part I – Property;

Farm Coverage Part;

if the named insured is a natural person.

With respect to such insurance, the following is added to the **Cancellation** Common Policy Condition and supersedes any provisions to the contrary except as applicable as described in Paragraph **E.**:

1. When this policy has been in effect for 60 days or less and is not a renewal with us, we may cancel for any reason by notifying the first Named Insured at least 10 days before the date cancellation takes effect.
2. When this policy has been in effect for more than 60 days, or at any time if it is a renewal with us, we may cancel for one or more of the following reasons: Nonpayment of premium, whether payable to us or to our agent;
  - a. Upon discovery of fraud, concealment of a material fact, or material misrepresentation made by or with the knowledge of any person insured under this policy in obtaining this policy, continuing this policy or presenting a claim under this policy;
  - b. Upon the occurrence of a change in the risk which substantially increases any hazard insured against; or
  - c. Upon the violation of any of the material terms or conditions of this policy by any person insured under this policy.

We may cancel by providing notice to the first Named Insured at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 45 days before the effective date of cancellation if we cancel for any of the reasons listed in **b.**, **c.** or **d.** above.

**E.** With respect to a policy that is written to permit an audit, the following is added to the **Cancellation** Common 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 known mailing address by certified mail or statutory overnight delivery with return receipt requested.

All other terms and conditions of this policy remain unchanged.

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