



CANCELLATION AND NON-RENEWAL AMENDATORY ENDORSEMENT - TEXAS

In consideration of the premium, the policy is amended as follows:

- I. Section XVIII, Cancellation is deleted and replaced with the following:
 - A. The **named insured** may cancel this policy at any time by:
 - (i) returning the policy to us or any of our authorized representatives, indicating the effective date of cancellation; or
 - (ii) providing a written notice to us stating when the cancellation is to be effective.We must receive the policy or written notice before the cancellation date.
 - B. If this new policy has been in effect for less than ninety (90) days and is not a renewal of a policy we issued we may cancel this policy by giving written notice to the **named insured** at least:
 - (i) Ninety (90) days for cancellation for non-payment of premium;
 - (ii) Ten (10) days for cancellation for the **named insured** or **insured** is no longer licensed; or
 - (iii) Ninety (90) days for cancellation for any other reason,prior to the effective date of cancellation.
 - C. If this policy has been in effect for ninety (90) days or more, or after the effective date of a renewal policy we issued, we may cancel this policy by giving written notice to the **named insured** at least:
 - (i) Ninety (90) days for cancellation for a reason listed in D(i) through D(ii) below; or
 - (ii) Ninety (90) days for cancellation for a reason listed in D(iii) through D(vi) below,prior to the effective date of cancellation.
 - D. After this policy has been in effect for ninety (90) days or more, or after the effective date of a renewal policy we issued, it may only be canceled for one of the following reasons:
 - (i) nonpayment of premium;
 - (ii) the **named insured** or **insured** is no longer licensed;
 - (iii) fraud in obtaining coverage;
 - (iv) increase in hazard, within the **named insured's** or **insured's** control, that produces a rate increase;
 - (v) loss of reinsurance, covering all or part of the risk covered by the policy; or
 - (vi) if we are placed in supervision, conservatorship, or receivership and the cancellation is approved or directed by the supervisor, conservator, or receiver.
 - E. The notice of cancellation will state the actual reason for cancellation. The cancellation notice must provide a written statement fully explaining a decision which adversely affects a policyholder. We must



state the precise incident, circumstance or risk factor(s) applicable that violates the guidelines, and state the source of information we relied on regarding the incident, circumstance or risk factor(s).

- F. The notice of cancellation will state the effective date of cancellation and the policy will end on that date.
- G. If we cancel, the refund will be pro rata. If the **named insured** cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- H. We are liable to the **named insured** for any unearned premium payable to the **named insured** upon cancellation of the policy.

II. Section XIX, Non-Renewal is deleted and replaced with the following:

- A. We reserve the right to non-renew this policy by providing written notice to the **named insured** at least ninety (90) days prior to the expiration date.
- B. If we fail to provide the required non-renewal notice, coverage will remain in effect until the ninety-first (91st) day after the date on which notice is delivered or mailed. The earned premium for any period of coverage that extends beyond the expiration date of this policy will be computed pro rata based on the previous year's rate.
- C. If the reason for non-renewal is non-payment of premium or loss of license we will provide written notice to the **named insured** at least ten (10) days prior to the expiration date.
- D. The notice of non-renewal will state the actual reason for non-renewal. The non-renewal notice must provide a written statement fully explaining a decision which adversely affects a policyholder. We must state the precise incident, circumstance or risk factor(s) applicable that violates the guidelines, and state the source of information we relied on regarding the incident, circumstance or risk factor(s).
- E. The transfer of a policy between two admitted companies within the CNA/group of insurance companies is not considered a refusal to renew.

III. The policy is amended to include the following:

Conditional Renewal

- A. If we offer to renew the policy with an increase in premium, a reduction in limits, an increase in deductible, an additional exclusionary endorsement, or elimination of a coverage currently provided we will provide written notice to the **named insured** at least ninety (90) days prior to the renewal date.
- B. If the reason for the notice is an increase in premium, the notice must state the amount of the increase.
- C. Failure to provide notice means that coverage remains in effect.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.