

Endorsement No. _____

Effective Date: _____ @12:01 a.m. Standard Time at the address of the **Named Insured**

Policy Number: _____

Insured Name: _____

Issuing Company: _____

Additional (Return) Premium: _____

If the Endorsement Effective Date is blank, then the effective date of this Endorsement is the Inception Date of the Policy.

CANCELLATION AND NONRENEWAL ENDORSEMENT – ARKANSAS

It is agreed that:

Except as specifically set forth herein, any Cancellation, Conditional Renewal, or Nonrenewal provision in this policy is replaced by the following, respectively. If the policy does not contain a Cancellation, Conditional Renewal, or Nonrenewal provision, the following is added to the policy, respectively:

1. Cancellation

- a. The first Named Insured shown in the Declarations (“first Named Insured”) may cancel this policy by mailing or delivering to us advance written notice of cancellation. Such advance notice of cancellation should be mailed or delivered to the address indicated in the Declarations under the item entitled Notices to Insurer.
- b. We may cancel this policy by mailing or delivering to the first Named Insured and to any lienholder or loss payee named in the policy written notice of cancellation at least:

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

(2) 20 days before the effective date of cancellation if we cancel for any other reason;

provided that, if this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (c) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
- (d) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;
- (e) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
- (f) A material violation of a material provision of the policy.

- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the reasons therefor and the effective date of cancellation. The policy period will end on that date.
- e. If this policy is cancelled, we will send the first Named Insured any premium refund due.
 - (1) If we cancel the policy, we will refund the pro rata unearned premium.

(2) If the policy is cancelled at the request of the first Named Insured, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.

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

(4) If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium.

f. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. Conditional Renewal

a. If we renew this policy based on an increase in premium of 25% or more, we will mail or deliver written notice thereof to the first Named Insured and to its agent. Notice to the first Named Insured will be given at least 10 days before the policy expiration date and notice to the agent will be given at least 30 days before the policy expiration date.

b. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. Nonrenewal

a. If we decide not to renew this policy, we will mail to the first Named Insured, and to any lienholder or loss payee named in the policy, written notice of nonrenewal at least 60 days before:

(1) Its expiration date; or

(2) Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal.

b. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice

As used herein, "us" and "we" refers to the insurance company named on the Declarations.

As used herein, "you", "your" or "named insured" refers to the person or entity first named as such on the Declarations.

If any provision of the policy contains cancellation or nonrenewal terms that are more favorable to the insured than those provided in this endorsement, then, except where prohibited by applicable state law, the more favorable terms control.

All other provisions of the policy remain unchanged.