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 – NORTH CAROLINA

It is agreed that:

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

1. Cancellation

    a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance 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. Policies In Effect Less Than 60 Days

        If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

        (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or

        (2) 30 days before the effective date of cancellation if we cancel for any other reason.

    c. Policies In Effect More Than 60 Days

        If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy prior to the:

        (1) Expiration of the policy term; or

        (2) Anniversary date,

        stated in the policy only for one or more of the following reasons:

        (a) Nonpayment of premium;

        (b) An act or omission by the insured or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy or presenting a claim under this policy;

        (c) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;

        (d) Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;

        (e) A fraudulent act against us by the insured or his or her representative that materially affects the insurability of the risk;

(f) Willful failure by the insured or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;

(g) Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;

(h) Conviction of the insured of a crime arising out of acts that materially affect the insurability of the risk;

(i) A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina; or

(j) You fail to meet the requirements contained in our corporate charter, articles of incorporation or by-laws when we are a company organized for the sole purpose of providing members of an organization with insurance **coverage in North Carolina**.

d. We will mail or deliver written notice of cancellation to the first Named Insured at least:

(1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

e. Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.

f. We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.

g. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

h. Notice of cancellation will state the effective date of cancellation and will be effective for all Insureds. All coverage will end on the effective date of cancellation.

i. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the premium refund will be pro rata. If the first 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 premium refund.

j. If notice of cancellation is mailed, proof of mailing shall be considered sufficient proof of notice.

2. Nonrenewal

a. If we elect not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 45 days prior to the:

(1) Expiration of the policy if this policy has been written for one year or less; or

(2) Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.

b. We need not mail or deliver the notice of nonrenewal if you have:

(1) Insured property covered under this policy, under any other insurance policy;

(2) Accepted replacement coverage; or

(3) Requested or agreed to nonrenewal of this policy.

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

d. The written notice of cancellation or nonrenewal will:

(1) Be mailed or delivered to the first Named Insured and any designated mortgagee or loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and

      (2) State the reason or reasons for cancellation or nonrenewal.

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.