

AMENDATORY ENDORSEMENT ILLINOIS

1. The following applies only to property policies issued to cover one-to-four family residential real or personal property:

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- a. the premium has not been paid when due;
- b. the policy was obtained by misrepresentation or fraud; or
- c. there has been an act that measurably increases the risk originally accepted.

If "we" cancel for nonpayment of premium, "we" will mail the cancellation notice at least ten days before the effective date of cancellation.

If "we" cancel for any reason other than nonpayment of premium, "we" will mail the cancellation notice at least 30 days before the effective date of cancellation.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

2. The following applies only to property policies issued to cover real property other than one-to-four family residential property:

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation

- a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
- b. "We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.
- c. "We" may cancel this policy at any time during the policy period if the premium has not been paid. "We" will mail the cancellation notice at least ten days before the effective date of cancellation.

- d. "We" may cancel this policy at any time during the policy period, if the insured property consists of one or more buildings:
- 1) to which, following a fire loss, permanent repairs have not commenced within 60 days after satisfactory adjustment of loss, unless such delay is a direct result of a labor dispute or weather conditions;
 - 2) that have been unoccupied for 60 consecutive days, except buildings which have a seasonal occupancy and buildings which are undergoing construction, repair, or reconstruction and are properly secured against unauthorized entry;
 - 3) for which, because of their physical condition, there is an outstanding demolition order, or which have been declared unsafe in accordance with applicable law; or
 - 4) to which heat, water, sewer service, or public lighting have not been connected for 30 consecutive days or more.

If "we" cancel this policy for reasons listed under d.1) through d.4) above, cancellation will be effective ten days after "you" and any mortgagee or lienholder have received "our" notice. The notice of cancellation will be sent by regular mail and certified mail, and "your" return premium, if any, will be calculated on a pro rata basis.

- e. If this policy has been in effect for 60 days or less, "we" may cancel for any reason. "We" will mail the cancellation notice at least 30 days before the effective date of cancellation for cancellation other than described in c. or d. above.
- f. If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- 1) the policy was obtained through a material misrepresentation;
- 2) any "insured" has violated any of the "terms" and conditions of the policy;
- 3) the risk originally accepted has measurably increased;
- 4) certification of the Director of the loss of reinsurance which provided coverage to "us" for all or a substantial part of the underlying risk insured; or
- 5) a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

If "we" cancel for any of these reasons, "we" will mail the cancellation notice at least 60 days before the effective date of cancellation.

- g. "Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. If 1. or 2. above do not apply, under Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason. If "we" cancel for any reason other than nonpayment of premium, "we" will mail the cancellation notice at least 30 days before the effective date of cancellation.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- a. the premium has not been paid when due;
- b. the policy was obtained through a material misrepresentation;
- c. any "insured" has violated any of the "terms" and conditions of the policy;
- d. the risk originally accepted has measurably increased;
- e. certification of the Director of the loss of reinsurance which provided coverage to "us" for all or a substantial part of the underlying risk insured; or
- f. a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

If "we" cancel for nonpayment of premium, "we" will mail the cancellation notice at least ten days before the effective date of cancellation.

If "we" cancel this policy for any reason other than nonpayment of premium when it has been in effect for more than 60 days, "we" will mail the cancellation notice at least 60 days before the effective date of cancellation.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

4. Under Common Policy Conditions, the following condition is added:

Nonrenewal --

If "we" decide not to renew this policy, "we" will mail "our" notice of nonrenewal to "you" at least 60 days before the end of the policy period. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record and any mortgagee or lienholder at the last mailing address known to "us". Proof of mailing is sufficient proof of notice. "Our" notice will include the reasons for nonrenewal.

5. Under Common Policy Conditions, the following condition is added:

Renewal -- If "we" decide to renew this policy with premium increases of 30% or higher, or impose changes in deductible or coverage that materially alter the policy, "we" will mail to "you" written notice of such increase or change in deductible or coverage at least 60 days before the renewal or anniversary date. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice. The 60-day prior notification because of premium increase is not necessary where increases exceeding 30% are due to changed conditions or increased or broadened coverage initiated by "you".