

AMENDATORY ENDORSEMENT ARKANSAS

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

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

"We" may cancel or not renew this policy, or one or more of its parts, by written notice sent to "you" and any lienholder or loss payee named in the policy at the last mailing addresses known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If this policy has been in effect less than 60 days, "we" may cancel for any reason. "We" will give notice at least ten days before the cancellation is effective.

After this policy has been in effect 60 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel only on the anniversary date unless the cancellation is based upon at least one 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 the policy issuance;

- d. violation of any local fire, health, safety, building, or construction regulation or ordinances with respect to any insured property or the occupancy of the property, which substantially increases any hazard insured against under the policy;
- e. nonpayment of membership dues in those cases where "our" bylaws, 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.

If "we" cancel this policy for nonpayment of premium, "we" will give notice at least ten days before the cancellation is effective and the notice will state the reason for cancellation. If this policy has been in effect for 60 days or more and "we" cancel for any other reason, "we" will give notice at least 20 days before the cancellation is effective.

If "we" decide not to renew this policy, "we" will give notice at least 60 days before the expiration date of the policy, or the anniversary date of a policy written for a term longer than one year or without a fixed expiration date.

"Your" return premium, if any, will be calculated on a pro rata basis and 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. Under Common Policy Conditions, the following condition is added:

Renewal -- If "we" elect to renew this policy with a premium increase equal to or greater than 25%, "we" will mail written notice of "our" intention to increase the premium by 25% or more to "your" agent at least 30 days prior to the effective date of the renewal and to "you" at least ten days prior to the effective date of the renewal.

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

Premium Payment -- If this policy has been issued for a period in excess of 12 months with the premium adjustable on an annual basis, "we" will give "you" and the agent of record written notice of the premium to be charged at least 30 days before the anniversary date. This provision applies only if "you" have given "us" the information necessary to calculate the premium.