

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**FEDERAL RISK RETENTION ACT  
NATIONWIDE AMENDATORY ENDORSEMENT  
SHORT FORM --- FORM A**

The following terms are hereby added to the policy and supersede any similar terms which may be contained therein.

**I. CANCELLATION/NONRENEWAL/RENEWAL PREMIUM INCREASE**

**A. CANCELLATION BY THE NAMED INSURED**

The company shall refund the paid premium less the earned portion thereof within thirty (30) days of the latter of the effective date of cancellation or the date of delivery of the Insured's notice of intent to cancel, subject always to the retention by the Company of any minimum premium stipulated herein (or proportion thereof previously agreed upon).

The earned portion of the premium shall be computed on the customary short-rate basis unless any state law or regulation of the state shown in the mailing address of the Named Insured on the Declarations Page requires that return premium be computed on a pro-rata basis, even in the event of cancellation by the Named Insured.

**B. CANCELLATION BY THE COMPANY**

**COMPUTATION OF RETURN PREMIUM**

Minimum premium shall not apply to the return of unearned premium if cancellation is by the company.

**CANCELLATION FOR NON-PAYMENT OF PREMIUM**

Sending of Notice: In case of cancellation due to non-payment of premium, thirty (30) days written notice of cancellation must be given by the Company.

**REASONS FOR CANCELLATION LIMITED**

Cancellation by the Company shall only be effective if based on one or more of the following reasons:

1. Nonpayment of premium;
2. The policy was obtained through a material misrepresentation that was relied on by the Company, and such policy would not have been issued by the Company under the same terms and conditions if correct information had been disclosed;
3. Material failure to comply with policy terms, conditions or contractual duties;
4. The risk originally accepted has measurably increased;
5. Loss by the Company of reinsurance which provided coverage for all or a substantial part of the risk insured.

**C. NON-RENEWAL AND RENEWAL RATE INCREASE OR CHANGE IN POLICY TERMS:**

**NON-RENEWAL:** The Company will renew this policy unless written Notice of the Company's intent not to renew, stating the specific reasons for nonrenewal, is mailed to the Named Insured not less than 90 days before the policy expires. "Non-renewal" shall include the failure of the Company to offer a renewal policy which provides types and limits of coverage substantially equivalent to those contained in the expiring policy.

**RENEWAL RATE INCREASE OR CHANGE IN POLICY TERMS:** If the Company increases your rate, changes the deductible, reduces the limit, or reduces coverage at renewal, the Company will mail to the Named Insured at least sixty (60) days prior to the effective date of that increase or change:

1. Written notice of any change in coverage;
2. The amount of our rate increase.

A rate increase is defined as any increase in premium except increase due to change in exposure (including claims-made step factors) and/or rating plans based solely on the Insured's developed experience.

**II. SENDING OF NOTICES**

Any notice of cancellation, nonrenewal or renewal premium increase or change in policy terms will be mailed by first class registered or certified mail to all Named Insureds at the last mailing address known to the Company. Proof of mailing will be sufficient proof of notice.

**III. Prejudgment interest, where payable under this policy, will be in addition to the limits of liability stated in the declarations.**

**IV. In the event that this policy contains a Reimbursement condition, it shall be deleted in its entirety and replaced by:**

**Reimbursement:** While the Company has no duty to do so, if the Company pays Damages or Claim Expenses:

- A. within the amount of the applicable deductible; or
- B. in excess of the applicable limit of liability

all Insureds shall be jointly and severally liable to the Company for such amounts. Upon written demand, the Insured shall repay such amounts to the Company within thirty (30) days thereof. Failure to pay any amount indicated may lead to policy cancellation.

- V. In the event that this Policy contains an **ACTION AGAINST COMPANY** Condition, that condition shall be deleted in its entirety and replaced by:

**LEGAL ACTION AGAINST THE COMPANY**

A person or organization may bring a suit against the Company including, but not limited to, a suit to recover on an agreed settlement or on a final judgment against an Insured; but the Company will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Company, the Insured and the claimant or the claimant's legal representative.

However, no action by an Insured shall lie against the Company unless there has been full compliance with all of the terms of this policy.

- VI. In the event that this policy contains a **DECLARATIONS and APPLICATIONS** Condition, it shall be deleted in its entirety and replaced by:

**DECLARATIONS and APPLICATIONS:**

By acceptance of this policy, the Insured agrees that the statements in the Declarations and application are his agreements and representations, and that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.

- VII. In the event this is a claims-made policy:

An automatic sixty (60) day **Extended Reporting Period Option**, effective at the termination of the policy period, will be provided by the Company at no additional cost unless this insurance is replaced with the same or similar insurance issued by the Company, whether or not the limits or deductibles are identical to those provided under this policy. This extended reporting period option shall only apply to claims made during the policy period and reported to the Company within sixty (60) days of the policy termination. The limits available under this extension shall be part of, and not in addition to, the limits available under the expiring policy period. Coverage provided by this automatic extended reporting period shall be specific excess over any replacement policy providing the same or similar coverage. This Extended Reporting Period option shall not be available if the policy is cancelled for non-payment of premium effective at policy inception.

Any provision in the policy which conflicts with this extension is amended accordingly.

- VIII. Notwithstanding any terms or conditions contained within the policy to the contrary, in the event an **EXTENDED REPORTING PERIOD** or **DISCOVERY PERIOD** clause is contained in this policy:

- A. in the case of cancellation or non-renewal of this policy by the **Named Insured** or the Company for any reason other than flat cancellation by the Company effective at policy inception for non-payment of premium; or
- B. in the case of advancing a retroactive or prior acts date from one previously applied by the Company,

the **Named Insured** shall have the right, subject to the other terms and conditions of this policy, or any endorsement attached thereto, to have an endorsement issued extending the time during which claims can be reported. This right shall terminate sixty (60) days after the effective date of such action as is indicated in subparagraphs A or B above unless written notice of such election, together with the additional premium, is received by the Company or its authorized agent from the **Named Insured** within that sixty (60) day period.

- IX. In the event that this is a claims-made policy which limits or excludes coverages for claims made as a result of acts, errors, omissions, occurrences or the rendering of or failure to render professional services which happen prior to the policy period if any insured could have "reasonably foreseen" that such actions might be expected to be the basis of a claim or suit prior to the policy period, "reasonably foreseen" shall mean:

- 1. Claims or incidents reported to any prior insurer;
- 2. unreported Claims or suits of which any Insured had received notice prior to the effective date of the first policy with the Company;
- 3. incidents or circumstances that involve a particular person or entity which an Insured knew might result in a claim or suit prior to the effective date of the first policy issued by the Company to the **Named Insured**, and which was not disclosed to the Company.

- X. The **SUBROGATION** provision of the policy is deleted in its entirety and replaced by:

To the extent of any payment under this policy, the Company shall be subrogated to all the **Insured's** rights of recovery therefore against any person, organization, or entity and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after any loss to prejudice such rights.

- XI. In the event that this policy contains a **CHANGES** provision, that provision shall be deleted in its entirety and replaced by:  
**CHANGES:** The terms of this policy shall not be waived or changed except by endorsement issued to form a part of this policy.
- XII. In the event that the policy contains an exclusion of pollution or of pollutants, that exclusion shall be deleted in its entirety and replaced by the following:  
This policy shall not apply to any claim, action, judgment, liability, settlement, loss, defense, cost, or expense in anyway arising out of actual, alleged, or threatened pollution, contamination, or any environmental impairment resulting from seepage, discharge, dispersal, release or escape of any solid, liquid, gaseous or radioactive matter including but not limited to, smoke, vapors, soots, fumes, acids, alkalis, chemicals, or toxic matter; or waste material (including materials to be recycled, reconditioned, or reclaimed); or oil or other petroleum substances or derivatives (including any oil refuse or oil mixed with waste), or thermal or vibratory effect including, but not limited to, heat or cold, into or upon land, the atmosphere, or any water course or body of water, underground water or water table supplies, whether such results directly, indirectly, or in concurrence or in any sequence from the insured's activities or the activities of other and whether or not such is sudden, gradual, accidental, intended, foreseeable, expected, fortuitous, or inevitable and wherever or however such occurs.

But this exclusion shall not apply to bodily injury or property damage caused by heat, smoke, or fumes from a "hostile fire" unless such fire involves:

- A. materials which are or were at any time used for the handling, storage, disposal, processing or treatment of waste; or
- B. any premises, site, or location:
  - 1. which is or was at any time used for the handling, storage, disposal, processing or treatment of waste; or
  - 2. on which any insured or contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, cleanup, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, pollutants.

As used in this endorsement, "hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**