

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MISSOURI CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A.** If you are an individual, partnership or limited liability company and a covered "auto" you own is of the "private passenger type", and this policy covers fewer than five "autos" and does not insure the motor vehicle hazard of garages, motor vehicle sales agencies, repair shops, service stations or public parking places, the Cancellation Common Policy Condition does not apply to that "auto". The following condition applies instead:

Ending This Policy

1. Cancellation

- a.** You may cancel the policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
- b.** If this policy has been in effect for 60 days or less and is not a renewal or continuation policy, we may cancel for any reason. If we cancel, we will mail you at least 10 days' notice.
- c.** When this policy has been in effect for more than 60 days or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:
 - (1)** Nonpayment of premium. If we cancel for this reason, we will mail you at least 10 days' notice.

- (2)** If you are an individual, partnership or limited liability company and your driver's license has been suspended or revoked during the policy period. If we cancel for this reason, we will mail you at least 60 days' notice. However, we may not cancel if you are more than one person, but only one person's license has been suspended or revoked. Instead we may exclude coverage for that person while operating a covered "auto" during a period of suspension or revocation.
- (3)** If you are an individual, we replace this policy with another one providing similar coverages and the same limits for the covered "auto". The replacement policy will take effect when this policy is cancelled, and will end a year after this policy begins or on this policy's expiration date, whichever is earlier.
- d.** If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. However, making or offering to make the refund is not a condition of cancellation. The following provisions govern calculation of return premium:
 - (1)** We will compute return premium pro rata and round to the next higher whole dollar when this policy is:
 - (a)** Cancelled by us or at our request;

- (b) Cancelled because you no longer have a financial or insurable interest in the property or business operation that is the subject of this insurance;
 - (c) Cancelled but rewritten with us or in our company group; or
 - (d) Cancelled after the first year, if it is a prepaid policy written for a term of more than one year.
- (2) When this policy is cancelled at your request (except when Paragraph (1)(b), (1)(c) or (1)(d) applies), we will return 90% of the pro rata unearned premium rounded to the next higher whole dollar. However, when such cancellation takes place during the first year of a multiyear prepaid policy, we will return the full annual premium for the subsequent years.
- (3) When this policy is cancelled at your request and is an auto dealer's policy written on a reporting form basis, we will calculate the return or additional premium as follows:
- (a) Final annual premium will be determined on the basis of the average value reported during the period in which the policy was in effect.
 - (b) Pro rata earned premium will be determined based on the final annual premium for the number of days the policy was in force as determined by Paragraph (3)(a) rounded to the next higher whole dollar.
 - (c) Pro rata unearned premium will be determined by subtracting Paragraph (3)(b) from Paragraph (3)(a).
 - (d) The short rate surcharge will be determined by multiplying the unearned premium by 10% and rounding to the next higher whole dollar.
 - (e) Calculate the short rate earned premium by adding Paragraphs (3)(b) and (3)(d).
 - (f) If the short rate earned premium is less than the sum of all payments (including any deposit premium), the difference is the return premium.
 - (g) If the short rate earned premium is greater than the sum of all payments (including any deposit premium), the difference is the additional premium due.
- e. The effective date of cancellation stated in the notice shall become the end of the policy period.
 - f. Our notice of cancellation will state the actual reason for cancellation unless the cancellation is due to nonpayment of premium.
- ## 2. Nonrenewal
- a. If we decide not to renew or continue this policy, we will mail you notice at least 60 days before the end of the policy period. If the policy period is other than one year, we will have the right not to renew or continue it only at the anniversary of its original effective date. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
 - b. If we fail to mail proper notice of nonrenewal and you obtain other insurance, the coverages provided by this policy will end on the effective date of any similar coverages provided by the other insurance.
 - c. Our notice of nonrenewal will state the actual reason for nonrenewal unless the nonrenewal is due to nonpayment of premium.
- ## 3. Mailing Of Notices
- Any notice of cancellation or nonrenewal will be mailed by United States post office certificate of mailing to your last known mailing address. Proof of mailing of any notice will be sufficient proof of notice.
- B. For "autos" not described in Paragraph A. above:
1. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:
 2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the actual reason for cancellation, at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium;
 - b. 30 days before the effective date of cancellation if cancellation is for one or more of the following reasons:
 - (1) Fraud or material misrepresentation affecting this policy or a claim filed under this policy or a violation of any of the terms or conditions of this policy;

- (2) Changes in conditions after the effective date of this policy which have materially increased the risk assumed;
 - (3) We become insolvent; or
 - (4) We involuntarily lose reinsurance for this policy;
 - c. 60 days before the effective date of cancellation if we cancel for any other reason.
2. Paragraph 5. of the **Cancellation** Common Policy Condition is replaced by the following:
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The cancellation will be effective even if we have not made or offered a refund. The following provisions govern calculation of return premium:
- a. We will compute return premium pro rata and round to the next higher whole dollar when this policy is:
 - (1) Cancelled by us or at our request;
 - (2) Cancelled because you no longer have a financial or insurable interest in the property or business operation that is the subject of this insurance;
 - (3) Cancelled but rewritten with us or in our company group; or
 - (4) Cancelled after the first year, if it is a prepaid policy written for a term of more than one year.
 - b. When this policy is cancelled at the request of the first Named Insured (except when Paragraph a.(2), a.(3) or a.(4) applies), we will return 90% of the pro rata unearned premium rounded to the next higher whole dollar. However, when such cancellation takes place during the first year of a multiyear prepaid policy, we will return the full annual premium for the subsequent years.
 - c. When this policy is cancelled at the request of the first Named Insured and is an auto dealer's policy written on a reporting form basis, we will calculate the return or additional premium as follows:
 - (1) Final annual premium will be determined on the basis of the average value reported during the period in which the policy was in effect.

- (2) Pro rata earned premium will be determined based on the final annual premium for the number of days the policy was in force as determined by Paragraph c.(1) rounded to the next higher whole dollar.
 - (3) Pro rata unearned premium will be determined by subtracting Paragraph c.(2) from Paragraph c.(1).
 - (4) The short rate surcharge will be determined by multiplying the unearned premium by 10% and rounding to the next higher whole dollar.
 - (5) Calculate the short rate earned premium by adding Paragraphs c.(1) and c.(4).
 - (6) If the short rate earned premium is less than the sum of all payments (including any deposit premium), the difference is the return premium.
 - (7) If the short rate earned premium is greater than the sum of all payments (including any deposit premium), the difference is the additional premium due.
3. The following is added and supersedes any provision to the contrary:

Nonrenewal

- a. We may elect not to renew this policy by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the actual reason for nonrenewal, at least 60 days prior to the effective date of the nonrenewal.
- b. If notice is mailed, proof of mailing will be sufficient proof of notice.