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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS AMENDATORY ENDORSEMENT

This Yachtinsure Policy Wording V5.10.18 is amended as follows:

Section L, General Condition and Warranties, Clause 5

*"5) This insuring agreement may be cancelled by either **you** or by us at any time, subject to 10 days prior written notice. If it is cancelled by us, **we** will pay **you** a pro rata return of premium. If **you** cancel it, **we** shall pay **you** a short rate return of premium calculated as pro rata less 10%. However, if the policy is cancelled within the first 60 days, 25% of Premium will be deemed as fully earned. Cancellations due to sale of the **insured vessel** or non-payment of the due premium are deemed to be cancellations by **you**. "*

Is deleted in its entirety and replaced by the following:

1. This policy may be cancelled by the first Named Insured stated in Item 1 of the Declarations either by mailing or delivering advance written notice to the Insurer stating where the cancellation is to take effect.

The Insurer may not cancel this policy based solely on the fact that the first Named Insured is an elected official.

After this policy has been in effect for more than sixty (60) days or after the effective date of renewal, this policy may only be cancelled by the Insurer or on the Insurer's behalf for one of the following reasons:

- 1) nonpayment of premium;
- 2) fraud in obtaining coverage under this policy;
- 3) an increase in hazard within the Insured's control which would produce an increase in the rate;
- 4) loss of the Insurer's reinsurance covering all or part of the risk covered by this policy; or
- 5) the Insurer is placed in supervision, conservatorship, or receivership, if the cancellation or nonrenewal is approved or directed by the supervisor, conservator, or receiver.

The Insurer shall mail or deliver written notice to the first Named Insured at the principal address shown in Item 1. of the Declarations of this policy at least ten (10) days prior to the effective date of cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation shall become the end of the policy period. Delivery of notice of cancellation shall be equivalent to mailing. The notice of cancellation shall state the reason for cancellation.

If this policy has been in effect less than sixty (60) days and it is not a renewal, the Insurer shall mail or deliver written notice to the first Named Insured at the principal address shown in Item 1. of the Declarations of this policy at least ten (10) days prior to the effective date of cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation shall become the end of the policy period. Delivery of notice of cancellation shall be equivalent to mailing. The notice of cancellation shall state the reason for cancellation.

If the first Named Insured cancels, earned premium will be computed in accordance with the customary short-rate table and procedure, but the Insurer will always be entitled to receive or keep the Minimum Premium amount stated in Item 6. of the Declarations. If the Insurer cancels, earned premium will be computed pro rata based on the time this policy was in force.

Nonrenewal

Should the Insurer decide to nonrenew this policy, the Insurer shall mail or deliver written notice of nonrenewal to the first Named Insured at the address shown in Item 1. of the Declarations at least sixty (60) days prior to the expiration date of the policy. The notice shall state the reason for nonrenewal. If notice of nonrenewal is delivered or mailed later than the sixtieth (60th) day before the date this policy expires, this policy's coverage will remain in effect until the sixty-first (61st) day after the date on which the notice is mailed or delivered.

Earned premium for any period of coverage that extends beyond this policy's expiration date shall be computed pro rata based on this policy's current rate. The Insurer may not refuse to renew this policy based solely on the fact that the first Named Insured is an elected official.

Claims Handling Procedures

The Insurer will notify the Insureds in writing of:

- a) An initial offer to compromise or settle a claim made or suit brought against any Insured. The notice will be given no later than the 10th day after the date on which the offer is made.
- b) Any settlement of claim made or suit brought against the Insureds. The notice will be given not later than the 30th day after the date of settlement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

YACHTINSURE