

POLICY CONDITIONS TENNESSEE

1. **Assignment** -- This policy and its rights may not be assigned, whether before or after a loss, without "our" written consent. This includes, but is not limited to, any post-loss assignment of the right to any benefit that may be payable after such loss.
 2. **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 delivering or mailing written notice to "you" at the mailing address shown on the "declarations". Proof of delivery or mailing is sufficient proof of notice.
 - c. If this policy has been in effect for less than 60 days, "we" may cancel for any reason by giving "you" notice at least ten days before cancellation is effective.
 - d. If this policy has been in effect for 60 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel only for one or more of the following reasons:
 - 1) nonpayment of premium, including nonpayment of any additional premiums, calculated in accordance with "our" current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
 - 2) conviction of the "named insured" of a crime having as one of its necessary elements an act increasing any hazard insured against;
 - 3) discovery of fraud or material misrepresentation:
 - a) on the part of the "insured" or the "insured's" representative in obtaining the insurance; or
 - b) on the part of the "named insured" in pursuing a claim under the policy;
 - 4) failure to comply with written loss control recommendations;
 - 5) material change in the risk that increases the risk of loss after insurance coverage has been issued or renewed;
 - 6) determination by the insurance commissioner that the continuation of the policy would jeopardize "our" solvency or would place "us" in violation of the insurance laws of this state or any other state;
 - 7) violation or breach by the "insured" of any policy "terms" or conditions; or
 - 8) any other reasons that are approved by the insurance commissioner.
- "We" will give "you" notice at least ten days before cancellation is effective. "Our" notice will state the reason for cancellation and advise that, upon the written request of the "named insured", "we" will furnish the facts on which the cancellation is based.
- e. "Your" return premium, if any, will be calculated on a pro rata basis and will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.
3. **Change, Modification, Or Waiver Of Policy Terms**
 - a. A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.

- b. If "we" adopt a revision that broadens coverage under this edition of "our" policy without an additional premium, the broadened coverage will apply to "your" policy as of the date on which "we" adopt the revision in the state in which the "described location" is located.

However:

- 1) this applies only to revisions adopted:

- a) within 60 days before; or
b) during;

the policy period shown on the "declarations"; and

- 2) this does not apply to revisions adopted as part of an overall program revision that both broadens and restricts coverage, whether "we" bring about the program revision by introducing:

- a) a subsequent edition of "our" policy; or
b) an endorsement that amends "our" policy.

- c. "Our" request for an appraisal or examination under oath does not waive policy "terms".

4. **Examination Of Books And Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

5. **Increase In Premium Or Decrease In Coverage** -- If "we" intend to:

- a. increase the premium by an amount that is more than 25% and such increase is the result of comparing policies of equivalent exposures; or

- b. reduce "limits" or eliminate coverage;

"we" will deliver or mail written notice to the "named insured" and the "named insured's" agent at the mailing address shown on the "declarations". "Our" notice will be delivered or mailed at least 60 days before such premium increase, reduction in "limits", or elimination of coverage is effective. If the notice is due to an increase in the premium, it will specify the percentage of the increase. Proof of delivery or mailing is sufficient proof of notice.

6. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.

7. **Nonrenewal** -- "We" may decide not to renew this policy. If "we" do so, "we" will deliver or mail written notice to the "named insured" and the "named insured's" agent, at least 60 days before nonrenewal is effective, at the mailing address shown on the "declarations". Proof of delivery or mailing is sufficient proof of notice.

However, notice of nonrenewal is not required if:

- a. "we" have offered to issue a renewal policy; or
b. the "named insured" has obtained replacement coverage or has agreed in writing to obtain replacement coverage.

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