UNITED SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VEN 044 00 (01/15)

MINIMUM AND DEPOSIT PREMIUM ENDORSEMENT

This endorsement modifies the Conditions provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Item b. of the Premium Audit Condition under SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is replaced as follows:

The minimum and deposit premium shown on the declarations page of this policy is the advance premium for the full policy term applicable to this policy.

At the close of each audit period, we will compute the earned premium for that period. Audit premiums are due and payable to us on notice to the first Named Insured. If the audit premium is less than the minimum and deposit premium, the minimum and deposit premium will apply, with no return to you.

For purposes of this policy, the terms advance premium, audit premium, earned premium, and minimum premium are defined as follows:

Advance Premium – The premium that is stated in the policy declarations and payable in full by the first Named Insured at the inception of the policy.
Audit Premium – The premium that is developed by calculating the difference between the advance premium and the earned premium.
Earned Premium – The premium that is developed by applying the rate(s) scheduled in the policy to the actual premium basis for the policy period.
Minimum Premium – The lowest premium for which this insurance will be written for the policy period.

MINIMUM EARNED PREMIUM

Paragraph 5. Of the CANCELLATION Condition contained in the COMMON POLICY CONDITIONS is deleted in its entirety and replaced with the following:

If this policy is cancelled, we will send the first named insured any premium refund due. If we cancel the refund will be pro rata. If the first Named Insured cancels, the refund will reflect either a 25% Minimum Earned Premium or a Short Rate charge, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

Minimum and Advance Premium: $000,000

Minimum Earned Premium: **25%** of the Minimum and Advanced Premium or $00,000