THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VEN 107 00 02 20

PREMIUM AUDIT ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph **5. Premium Audit** of **SECTION IV- CONDITIONS** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**, is hereby deleted and replaced by the following:

5. Premium Audit

a. All premiums for this policy shall be computed in accordance with our rules, rates, rating plans, premiums and minimum premiums applicable.

b. Premium shown in this policy as advance premium is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. Advance premium shall be determined based on an estimate of your exposures for the policy period.

c. At the close of each period (or part thereof terminating with the end of the policy period) designated in the Declarations as the audit period, we may conduct an audit of your books and records to determine the actual premium bases developed during the policy period and to compute the earned premium. If the total computed earned premium is greater than the premium previously paid, the additional premium is due upon notice to the first Named Insured. If the total computed earned premium is less than the premium previously paid, then we shall receive and retain no less than the minimum premium(s) listed in the coverage part(s) attached hereto.

d. Failure to pay the additional earned premium due will be deemed a breach of contract and, at our sole discretion, may subject this policy, as well as any other policy of yours in force, to cancellation for non-payment of premium.

e. Should it become necessary to institute collection activities, including litigation, in order to collect any earned premium, then you shall be responsible for 100% of the expenses, fees and costs incurred by us in that regard plus any collectible interest.

f. You must maintain records of such information as is necessary for premium computation, and shall send copies of such records to us at the end of the policy period and at such times as we may direct. Failure to supply such records upon request will be deemed a breach of policy conditions and may subject this policy, as well as any other policy of yours in force, to cancellation for breach of policy conditions.

g. If, after three documented attempts, we are unable to examine your books and records to obtain the information required to complete the audit, the audit will be deemed unproductive and an Estimated Audit Endorsement will be issued as follows:

(1) A 25% increase in your reported premium basis will be shown. This increase is an

estimate.

(2) Documentation on the attempts to collect the required audit information will be included with the endorsement.

(3) You must remit payment for the full amount of the additional premium upon receipt of notice to the first Named Insured.

(4) If you dispute the Estimated Audit Endorsement, within ten (10) days of receipt of the Estimated Audit Endorsement or other notice regarding the additional premium amount, you must provide the requested audit information to us. Failure to do so shall be deemed as your agreement with the Estimated Audit Endorsement.

h. In the event that you fail to timely pay any premium (including but not limited to any additional premium), we shall be entitled to recover from you all third-party fees and costs, including attorneys' fees, that we reasonably incur in connection with any related collection efforts or proceedings.