

## CREDIT RATING DOWNGRADE

This Endorsement Changes The Bond. Please Read it Carefully.

Certain words and phrases that appear in bold have special meaning as defined in the Intact form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

In consideration of the payment of the premium, it is hereby understood and agreed that **Section 12. TERMINATION OR CANCELLATION** of this "**Bond**" is amended by adding the following:

Notwithstanding the provisions elsewhere in this **Section 12. TERMINATION OR CANCELLATION**, in the event that a financial strength rating for the "**Underwriter**" is issued:

- a) at lower than "A –" by A.M. Best Co.; or
  - b) at lower than "BBB" by Standard & Poor's ratings services;
- such rating shall hereinafter be called the "Credit Rating Downgrade"; and

If, as a consequence, and within sixty (60) days of the "Credit Rating Downgrade" the "**Insured**" gives the "**Underwriter**" written notice of its wishes to cancel the "**Bond**" during the said period, the "**Underwriter**" shall cancel the "**Bond**" and return any unearned premium, computed on a pro-rata basis.

After the sixty (60) day period, the provisions of this Endorsement shall be null and void.

All other terms and conditions of this Policy remain unchanged.