
**PRO-RATA CANCELLATION ENDORSEMENT
INSTRUCTION SHEET**

1. This endorsement allows a policy to be cancelled pro-rata when the policy is endorsed with this endorsement and the policy meets the criteria listed in the Schedule of the endorsement.
2. If a policy is not endorsed with this endorsement and meets the criteria listed in the Schedule of this endorsement, the premium for the cancelled policy must be calculated by using either the short-rate percentage or short-rate factor. (See the ***North Carolina Basic Manual*** – Rules – Rules and Application of Premium Elements – Explanation and Application)