

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## UNINSURED MOTORISTS COVERAGE - MARYLAND

### SCHEDULE

Bodily Injury Liability	\$	each person
	\$	each accident
Property Damage Liability	\$	each accident

### I. Part C - Uninsured Motorists Coverage

Part C is replaced by the following:

#### INSURING AGREEMENT

We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of:

1. "Bodily injury" sustained by an "insured" and caused by an accident; and
2. "Property damage" caused by an accident. Only Sections 1., 2., 4. and 5. of the definition of "uninsured motor vehicle" apply to "property damage".

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle".

With respect to coverage under Paragraph 3. of the definition of "uninsured motor vehicle", we will pay under this coverage only if 1. or 2. below applies:

1. The limits of liability under any bodily injury liability bonds or policies applicable to the "uninsured motor vehicle" have been exhausted by payment of judgments or settlements; or
2. A tentative settlement has been made between an "insured" and the insurer of an "uninsured motor vehicle" and we:
  - a. Have been given prompt written notice of such tentative settlement by certified mail;
  - b. Have sent to the "insured" a written refusal to consent to acceptance of the settlement offer within 60 days after receipt of the notification; and
  - c. Advance payment to the "insured" in an amount equal to the tentative settlement offer within 30 days after the written refusal to consent to acceptance of the settlement offer.

No judgment for damages arising out of a suit brought against the owner or operator of an "uninsured motor vehicle" is binding on us unless we:

1. Received reasonable notice of the pendency of the suit resulting in the judgment; and

2. Had a reasonable opportunity to protect our interests in the suit.

"Insured" as used in this endorsement means:

1. You or any "family member".
2. Any other person "occupying" "your covered auto".
3. Any person for damages that person is entitled to recover because of "bodily injury" to which this coverage applies sustained by a person described in 1. or 2. above.

"Property damage" as used in this endorsement means injury to or destruction of:

1. "Your covered auto" (including its loss of use).
2. Any property owned by a person listed in 1. or 2. of "insured" while contained in "your covered auto".

"Uninsured motor vehicle" means a land motor vehicle or trailer of any type:

1. To which there is neither:
  - a. Cash or securities; nor
  - b. A liability bond or policy; applicable at the time of the accident.
2. To which a liability bond or policy applies at the time of the accident, but its limit for liability is less than the minimum limit specified by the financial responsibility law of Maryland.
3. Which, with respect to damages for "bodily injury" only, the sum of the limits of liability under all liability bonds or policies applicable at the time of the accident is equal to or greater than the limit specified by the financial responsibility law of Maryland, but the sum of the limits for bodily injury is either:
  - a. Less than the limit of liability for this coverage; or
  - b. Reduced by payment to other persons injured in the accident to an amount less than the limit of liability for this coverage.
4. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits or causes an accident resulting in "bodily injury" or "property damage" without hitting:
  - a. You or any "family member";
  - b. A vehicle which you or any "family member" are "occupying"; or
  - c. "Your covered auto".
5. To which a liability bond or policy applies at the time of the accident, but the bonding or insuring company:
  - a. Denies coverage; or
  - b. Is or becomes insolvent.

However, "uninsured motor vehicle" does not include any vehicle or equipment:

1. Owned by or furnished or available for your regular use.

2. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
3. Owned by any governmental unit or agency.
4. Operated on rails or crawler treads.
5. Designed mainly for use off public roads while not on public roads.

## **EXCLUSIONS**

A. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained:

1. By an "insured" while "occupying", or when struck by, any motor vehicle owned by that "insured" which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
2. By any "family member" while "occupying", or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.

B. We do not provide Uninsured Motorists Coverage for "property damage" or "bodily injury" sustained by any "insured":

1. For the first \$250 of the amount of "property damage" to the property of each "insured" as the result of any one accident.
2. If the property is contained in or struck by a motor vehicle (other than "your covered auto") owned by that "insured".

C. This coverage shall not apply directly or indirectly to benefit:

1. Any insurer or self-insurer under any of the following or similar law:
  - a. Workers' compensation law; or
  - b. Disability benefits law.
2. Any insurer of property.

D. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.

## **LIMIT OF LIABILITY**

A. The limit of Bodily Injury Liability shown in the Schedule or in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of Bodily Injury liability shown in the Schedule or in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident. The limit of Property Damage Liability shown in the Schedule or in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all "property damage" resulting from any one accident.

This is the most we will pay regardless of the number of:

1. "Insureds";
2. Claims made;

3. Vehicles or premiums shown in the Declarations; or

4. Vehicles involved in the accident.

B. With respect to coverage under Paragraph 3. of the definition of "uninsured motor vehicle", the limit of liability shall be reduced by all sums paid because of the "bodily injury" by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A of the policy.

C. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part A or Part B of this policy.

D. We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.

E. We will not pay for any element of loss if a person has received payment for the same element of loss:

1. Under any workers' compensation law, or similar law. This provision applies only with respect to those amounts for which the insurer or self-insurer of workers' compensation benefits has not been reimbursed for amounts paid under the workers' compensation law or similar law; or

2. Under any disability benefits law or similar law.

F. No payment will be made for loss paid or payable to the "insured" under Part D of the policy.

#### **OTHER INSURANCE**

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided by this Part of the policy:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.

2. Any insurance we provide with respect to a vehicle you do not own shall be excess over any collectible insurance providing coverage on a primary basis. However we will provide primary insurance for a vehicle you do not own if:

a. The vehicle is:

(1) Loaned by an auto repair facility or a dealer to you or any "family member"; or

(2) Rented temporarily by you or any "family member";

for use as a temporary substitute while "your covered auto" is out of normal use because of its:

(a) Breakdown;

(b) Repair;

(c) Servicing;

(d) Loss; or

(e) Destruction; and

b. The agreement for the use of the loaned or rented vehicle contains a provision on the face of the agreement, in at least 10 point bold type, which states that the coverage on the vehicle

being serviced or repaired is primary for the loaned or rented vehicle and the coverage maintained by the owner of the loaned or rented vehicle is secondary.

3. If the coverage under this policy is provided:

- a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.
- b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

## **ARBITRATION**

A. If we and an "insured" do not agree:

1. Whether that "insured" is legally entitled to recover damages; or
2. As to the amount of damages which are recoverable by that "insured"

from the owner or operator of an "uninsured motor vehicle" then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.

Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

B. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

C. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding as to:

1. Whether the "insured" is legally entitled to recover damages; and
2. The amount of damages. This applies only if the amount does not exceed the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

## **ADDITIONAL DUTY**

A person seeking Uninsured Motorists Coverage must:

1. Promptly notify us in writing, by certified mail, of a tentative settlement between the "insured" and the insurer of the "uninsured motor vehicle";
2. Allow us to send to the "insured", within 60 days after the receipt of the notification, a written refusal to consent to acceptance of the settlement offer; and

3. Allow us to advance payment to that "insured", within 30 days after the written refusal to consent to acceptance of the settlement offer, in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such "uninsured motor vehicle".

## II. Part E - Duties After An Accident Or Loss

Paragraph C.2. of Part E is replaced by the following:

A person seeking Uninsured Motorists Coverage must also:

2. Promptly notify us if a suit is brought. We request that a copy of any legal papers served accompany the notice.

## III. Part F - General Provisions

The following is added to the Our Right To Recover Payment Provision in Part F:

### **OUR RIGHT TO RECOVER PAYMENT**

Our rights do not apply under Paragraph A. if we:

1. Have been given prompt written notice of a tentative settlement, by certified mail, between an "insured" and the insurer of an "uninsured motor vehicle"; and
2. Fail to send the insured a written refusal to consent to acceptance of the settlement offer within 60 days after receipt of the notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after a written refusal to consent to acceptance of the settlement offer:

1. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Uninsured Motorists Coverage; and
2. We also have a right to recover the advance payment.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.