PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

AMENDMENT OF POLICY PROVISIONS - MARYLAND

The following amendments change the policy. Please read your entire policy for full details about your coverages.

DEFINITIONS

The following definition is added:

"First-class mail tracking method" means a method that provides evidence of the date that a piece of first-class mail was accepted for mailing by the United States Postal Service, including a certificate of mail and an electronic mail tracking system used by the United States Postal Service.

"First-class mail tracking method" does not include a certificate of bulk mailing.

EXCLUDED PERILS

C.6.c. is replaced by the following:

C. In addition to the Excluded Perils above, the following exclusions also apply to the classes or items described below:

6. If **Collector Vehicles** are covered:

c. Loss caused by or resulting while your **Collector Vehicle** is:

(1) Involved in any prearranged, organized, or spontaneous race or involved in:

(a) Preparation for a race of this type, but only while in any pit area, on the track or racecourse or its entrance or exit lanes; or

(b) Practicing or qualifying for a race of this type.

A race includes any contest for speed or endurance, whether against another competitor or against a time measuring device.

(2) Being used at a:

(a) Racing facility; or

(b) Facility or roadway temporarily designated for speed, time, racing, or performance driving events. This includes, but is not limited to, the use of **Collector Vehicles** at a performance or racing driving school, a rally in excess of the legal speed limit, or a closed road rally.

However, this exclusion does not apply while your **Collector Vehicle** is:

(1) In a race facility's "paddock" area or a specified show display area;

(2) Being towed by a trailer from one location to another;

(3) Used by you to attend a racing event as a spectator;

(4) Being operated for purposes of display in any pre- or post-race parade laps; or

(5) Involved in an organized event on open, public roads while operated within legal speed.

For purposes of this exclusion, "paddock" includes the area at the race course where racing vehicles are parked. It does not include any pit area, or the track/course or its entrance or exit lanes

LOSS CONDITIONS

LOSS SETTLEMENT, **4. Guaranteed Value® Loss Settlement – Scheduled Property,** a. is replaced by the following:

a. When an item is designated with Guaranteed Value® coverage in the Declarations or Schedule:

(1) For items other than any **Collector Vehicle:**

We will pay the full amount shown for each article or item. That amount is agreed to be the value of the article or item inclusive of any sales tax, costs or fees associated with or necessarily incurred upon replacement of the item.

(2) With respect to any **Collector Vehicle**:

(a) The amount of insurance shown in the Declarations or Schedule as the Guaranteed Value® is agreed to be the value of a covered **Collector Vehicle**, in case of a total loss or "constructive total loss". This Guaranteed Value® is inclusive of any sales tax, costs or fees associated with or necessarily incurred upon replacement of the **Collector Vehicle**. The amount of insurance shown for each vehicle is increased by two percent at the end of each three-month period after the policy effective date. If the **Collector Vehicle** is declared a total loss or "constructive total loss", such increases will cease effective on the date of loss. Upon expiration of the policy period, the amount reverts back to the Guaranteed Value® shown in the Declarations or Schedule. This amount is used to process your renewal unless you request a change in the amount of insurance to which we must also agree.

If the "market value" of a covered **Collector Vehicle** immediately before the loss exceeds its Guaranteed Value®, we will pay its "market value" up to 150% of the Guaranteed Value® including any applicable quarterly adjustments as described above. For policies with two or more **Collector Vehicles**, the most we will pay in any one "loss event" is the greater of the total of all **Collector Vehicle** limits shown in the Declarations or Schedule, or 150% of the Guaranteed Value® of the highest valued vehicle on the policy, subject to any applicable policy loss limit.

(b) For any loss or damage to a covered **Collector Vehicle** other than a total loss or "constructive total loss", we will pay the amount necessary to repair or replace the property, whichever is less, provided you actually repair or replace the property, with similar kind and quality, without regard to depreciation or betterment, but we will not pay more than the Guaranteed Value® per vehicle shown in the Declarations or Schedule.

If the "market value" of a covered **Collector Vehicle** immediately before the loss exceeds the "market value" of the vehicle after it is repaired, we will pay the difference between its "market value" before and after repair up to 150% of the Guaranteed Value® including any applicable quarterly adjustments as described in (a) above. The most we will pay in any one loss is the total of all vehicle amounts shown in the Declarations or Schedule, or 150% of the Guaranteed Value® of the highest valued vehicle on the policy, subject to any applicable policy loss limit.

GENERAL PROVISIONS

The **Concealment or Misrepresentation** provision is replaced by the following **Fraud** provision:

FRAUD

We do not provide coverage under this policy if you or any person or entity with an interest in the property conceal or misrepresent any material fact regardless of intent. No action or inaction by us will be deemed a waiver of this provision.

The **Legal Action Against Us** provision is replaced by the following:

LEGAL ACTION AGAINST US

No legal action may be brought against us until there has been full compliance with all the terms of this policy. Suit or action must start within 3 years of the date of the loss.

The **Regular Use Vehicle Requirement** provision is deleted.

Under the **Termination** provision, the following changes are made:

Cancellation, b. and c. are replaced by the following:

b. We may cancel this policy for any reason allowed by law by mailing notice to you at the address last known to us:

(1) At least 10 days' written notice for nonpayment of premium; or

(2) At least 15 days' notice if the notice is mailed during the first 45 days this policy is in effect and is not a renewal or continuation policy; or

(3) At least 45 days' notice in all other cases.

c. After this policy is in effect for 45 days, or if this is a renewal or continuation policy, we will cancel only:

(1) For material misrepresentation or fraud in connection with the application, policy or presentation of a claim;

(2) For a matter or issue related to the risk that constitutes a threat to public safety;

(3) For a change in the condition of the risk that results in an increase in the hazard insured against; or

(4) For nonpayment of premium.

The first paragraph of the **Nonrenewal** provision is replaced by the following:

If we decide not to renew or continue this policy, we will mail written notice to you at the address last known to us. Written notice will be mailed at least 45 days before the end of the policy period. Our right not to renew applies to each coverage or amount of insurance in the policy.

The **Other Termination Provisions** is replaced by the following:

Other Termination Provisions

Written notice of our intent to cancel or not to renew will be sent to you by a “first-class mail tracking method”.

Proof of mailing of any notice shall be sufficient proof of notice.

If this policy is cancelled, you may be entitled to a premium refund. If so we will send you that refund. The premium refund, if any, will be computed pro-rata. However, making or offering to make the refund is not a condition of cancellation.

The effective date of cancellation stated in the notice shall become the end of the policy period.

Our notice of cancellation or nonrenewal will state the specific reason(s) for the cancellation or nonrenewal.

All other policy provisions apply.