

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

STATE ENDORSEMENT - PENNSYLVANIA

The following amendment changes the policy. Please read your entire policy for full details about your coverages.

Throughout the policy and endorsements attached to it, reference to minimum limits means the following limits of liability as required by Pennsylvania law, to be provided under a policy of automobile liability insurance:

1. \$15,000 for each person, subject to \$30,000 for each accident, with respect to "bodily injury"; and
2. \$5,000 for each accident with respect to "property damage".

DEFINITIONS

The following definitions are added:

"Noneconomic loss" means pain and suffering and other nonmonetary detriment.

"Serious injury" means an injury resulting in death, serious impairment of body function or permanent serious disfigurement.

"Loaner vehicle" means a motor vehicle provided to you by a "motor vehicle dealer" while "your covered auto" is being transported, serviced, repaired or inspected by that "motor vehicle dealer" when an "insured" has custody of or is operating that motor vehicle and when the "motor vehicle dealer" has provided such motor vehicle without financial remuneration in the form of a fee, rental or lease charge paid directly by any "insured".

"Motor vehicle dealer" means a person required to be licensed under the act of December 22, 1983 (P.L. 306, No. 84), known as the Board of Vehicles Act, who is engaged in the business of buying, selling or exchanging new or used vehicles or an interest in new or used vehicles, regardless of whether the vehicles are owned by that person. The term includes persons engaged in consignment sales for a seller, but does not include a person issued an identification number by the Department of Transportation, unless the board has also issued a dealer license to the person.

PART A – LIABILITY COVERAGE

The **Insuring Agreement** provision is replaced by the following:

INSURING AGREEMENT

- A. We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident involving "your covered auto". We will pay damages for "bodily injury" for which any "insured" becomes legally responsible because of an auto accident involving a "loaner vehicle". We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when the amount we pay for judgment or settlements for damages resulting from the occurrence equals the limit of liability shown in the Declarations or Schedule for this coverage. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.
- B. "Insured" as used in this part means:
 1. You or any "family member" for the ownership, maintenance or use of "your covered auto" or a "loaner vehicle".
 2. Any person using "your covered auto" or a "loaner vehicle".
 3. For "your covered auto" or a "loaner vehicle", any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this part.

Under the **Supplementary Payments** provision, the following is added:

- F. Prejudgment interest awarded against the "insured" on the part of the judgment we pay. Any prejudgment interest awarded against the "insured" is subject to the applicable Pennsylvania Rules of Civil Procedure.

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

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Exclusion F. is replaced by the following:

- F. For that “insured’s” liability arising out of the ownership or operation of “your covered auto” or a “loaner vehicle” while it is being used to carry persons or property for a fee.

Exclusion G. is replaced by the following:

- G. Maintaining or using “your covered auto” or a “loaner vehicle” while that “insured” is employed or otherwise engaged in any “business” (other than farming or ranching), including but not limited to the selling, repairing, servicing, storing, parking, road testing, or delivery of any vehicle.

Exclusion H. is replaced by the following:

- H. Using “your covered auto” or a “loaner vehicle” without a reasonable belief that that “insured” is entitled to do so.

PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

The **Insuring Agreement** provision is replaced by the following:

INSURING AGREEMENT

We will pay for direct or accidental loss to “your covered auto” or a “loaner vehicle” including its “equipment”, less any applicable deductible shown in the Declarations or Schedule, when such loss is caused by:

1. “Other than collision” only if the Declarations or Schedule indicate that Other Than Collision Coverage is provided for that auto or for the auto for which a “loaner vehicle” has been provided.
2. “Collision” only if the Declarations or Schedule indicate that Collision Coverage is provided for that auto or for the auto for which a “loaner vehicle” has been provided.

Any deductibles shown in the Declarations or Schedule for “your covered auto” shall also apply to the auto’s “loaner vehicle”.

Under the **Exclusions** provision, the following change is made:

The following is added to Exclusion G.:

This Exclusion does not apply to victims of abuse.

Under the **Limit of Liability** provision, the following is added:

With respect to a “loaner vehicle”:

- A. For a total loss or “constructive total loss”, we will pay the actual cash value of a “loaner vehicle” up to the limit shown for **PART D** in the Declarations or Schedule for the “your covered auto” for which the “loaner vehicle” has been provided.
- B. For all other loss or damage, we will pay the amount necessary to repair or replace the property, whichever is less, provided you or the “motor vehicle dealer” actually repair or replace the property, but we will not pay more than the limit shown for **PART D** in the Declarations or Schedule for the “your covered auto” for which the “loaner vehicle” has been provided.

PART F – GENERAL PROVISIONS

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

CONCEALMENT OR MISREPRESENTATION

If you or any person or entity with an interest in the property conceal or misrepresent any material fact, regardless of intent:

1. Within the first 59 days the policy has been in effect, the policy will be rescinded;
2. After the policy has been in effect 60 days or more, the coverages relating to the misrepresentation will be voided for the insured who committed the fraudulent act or made the material misrepresentation, if the act or misrepresentation could not have reasonably been discovered by us within the first 59 days the policy was in force and the undisclosed information would have prompted us to decline the risk.

No action or inaction by us will be deemed a waiver of this provision.

Under the **Excess Coverage** provision, Paragraph A. is replaced by the following:

- A. Coverage under this policy applies on a primary basis with respect to “your covered auto” or a “loaner vehicle”. If there is other insurance with the same priority as this coverage, we will not pay more than our share of the covered losses or damages. Our share of the covered losses or damages is the proportion that our limit of coverage bears to the total of all applicable limits with the same priority as our coverage.

Under the **Our Right To Recover Payment** provision, Paragraph B. is replaced by the following:

- B. If we make a payment under this policy, and the person to or for whom payment is made recovers damages from another, that person shall:
 1. Hold in trust for us the proceeds of the recovery; and
 2. Reimburse us to the extent of our payment less reasonable attorneys’ fees, costs and expenses incurred by that person in collecting our share of the recovery.

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

- A. Cancellation, 2. and 3. are replaced by the following:
 2. In the first 60 days of this policy, that is not a renewal with us, we may cancel:
 - a. For any reason not prohibited by Pennsylvania Statute;
 - b. By mailing written notice to the named insured shown in the Declarations at the address shown in this policy, at least 30 days’ notice.
 3. After this policy has been in effect for 60 days, we may cancel this policy only by mailing written notice to the named insured shown in the Declarations at the address shown in this policy:
 - a. At least 15 days’ notice:
 - 1) For nonpayment of premium;
 - 2) If the driver’s license or motor vehicle registration of the named insured has been under suspension or revocation during the policy period; or
 - b. At least 60 days’ notice if a determination that the insured has concealed a material fact, or has made a material allegation contrary to fact, or has made a misrepresentation of a material fact and that such concealment, allegation or misrepresentation was material to the acceptance of the risk by the insurer.
- B. Nonrenewal is replaced by the following:

Nonrenewal. If we decide not to renew or continue this policy for any reason not prohibited by Pennsylvania Statute, we will mail written notice to the named insured shown in the Declarations at the address shown in this policy at least 60 days’ notice before the end of the policy period.
- C. Automatic Termination deletes the last paragraph.
- D. Other Termination Provisions adds the following:
 4. Our right to cancel or nonrenew this policy is subject to the limitations contained in the applicable Pennsylvania Statutes.

The following **Constitutionality Clause** provision is added:

CONSTITUTIONALITY CLAUSE

The premium for, and the coverages of, this policy have been established in reliance upon the provisions of the Pennsylvania Motor Vehicle Financial Responsibility Law. In the event a court, from which there is no appeal, declares or enters a judgment the effect of which is to render the provisions of such statute invalid or unenforceable in whole or in part, we will have the right to recompute the premium payable for the policy and void or amend the provisions of the policy, subject to the approval of the Insurance Commissioner.

All other policy provisions apply.