

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## STATE ENDORSEMENT – ARIZONA

The following amendments change the policy. Please read your entire policy for full details about your coverages. Throughout the policy and endorsements attached to it, minimum limits means the following limits of liability as required by Arizona law, to be provided under a policy of automobile liability insurance:

- A. \$25,000 for each person, subject to \$50,000 for each accident, with respect to “bodily injury”; and
- B. \$15,000 for each accident with respect to “property damage”.

### DEFINITIONS

Definition Q.2. is replaced by the following:

Any “newly acquired vehicle” on the date you became owner during the policy period. If the “newly acquired vehicle” is not replacing a vehicle shown in the Declarations, you ask us to insure it within 30 days after you become the owner. If the “newly acquired vehicle” replaces a vehicle shown in the Declarations, coverage is automatically provided. You must ask us to insure a “newly acquired vehicle” within 30 days if you wish to add or continue Coverage for Damage to Your Covered Auto. **PART D**, this 30 days of automatic coverage for “newly acquired vehicles” will be:

- A. no greater than the highest appraisal for a vehicle already on the policy, or
- B. no greater than the replacement vehicle’s most recent appraisal, whichever is lower.

“Newly acquired auto” means any of the following types of vehicles you become the owner of during the policy period:

- A. A private passenger auto; or
- B. A pickup or van, for which no other insurance policy provides coverage, that:
  1. Has a Gross Vehicle Weight of less than 10,000 lbs.; and
  2. Is not used for the delivery or transportation of goods and materials unless such use is:
    - a) Incidental to your “business” of installing, maintaining, or repairing furnishings or equipment; or
    - b) For farming or ranching.

### PART A – LIABILITY COVERAGE

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

Exclusion F. is replaced by the following:

We do not provide Liability Coverage for any “insured”:

- F. For that “insured’s” liability arising out of the ownership or operation of “your covered auto” while it is being used to carry persons or property for fee. This includes but is not limited to any period of time “your covered auto” is being used by any “insured” who is logged into a transportation network company’s online-enabled application or platform as a driver, whether or not a passenger is “occupying” “your covered auto”. This exclusion does not apply to:
  1. A share-the-expense carpool; or
  2. The ownership or operation of a vehicle while it is being used in the course of volunteer work for a tax-exempt organization as described in ARIZ. REV.STAT. ANN. Section 43-1201(b).

However, this exclusion will only apply to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the Arizona Financial Responsibility Law.

Additional language has been added to Exclusion I:

However, this exclusion will only apply to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the Arizona Financial Responsibility Law.

The following exclusion is added:

We do not provide Liability Coverage for any “insured” for “bodily injury” to you or a “family member” to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the Arizona Financial Responsibility Law.

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**PART B – MEDICAL PAYMENTS COVERAGE**

Under the **Insuring Agreement**, A. is replaced by the following:

- A. We will pay expenses incurred for medical and funeral services because of “bodily injury”:
  1. Caused by an accident involving “your covered auto”; and
  2. Sustained by an “insured”.

Under the **Exclusions** provision, Exclusion A. is replaced by the following:

We do not provide Medical Payments Coverage for any “insured” for “bodily injury”:

- A. Sustained while “occupying” “your covered auto” when it is being used to carry persons or property for a fee. This exclusion does not apply:
  1. To a share-the-expense carpool; or
  2. While “your covered auto” is being used in the course of volunteer work for a tax-exempt organization as described in ARIZ. REV. STAT. ANN. Section 43-1201(4).

**PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO**

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

Exclusion G. is replaced by the following:

We will not pay for:

- G. Loss or damage intentionally caused or directed by you or a “family member” or by any willful actions a reasonable person could foresee may cause a loss. However, this exclusion does not apply if the property loss is caused by an act of domestic violence by another insured and not the insured who is claiming loss. The insured who claims property loss must cooperate in any investigation and must not have contributed to the loss.

**PART F – GENERAL PROVISIONS**

The **Private Pleasure Use** provision is deleted.

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

**CONCEALMENT OR MISREPRESENTATION**

- A. All statements and descriptions in the application for this policy are deemed to be representations and not warranties. Misrepresentations, omissions, concealment of facts and incorrect statements shall not prevent a recovery under the policy unless they are:
  1. Fraudulent; and
  2. Material either to the acceptance of the risk, or to the hazard assumed by the insurer; and
  3. Relied upon in good faith and would have caused us to either not have issued the policy, or to have issued a policy with a lower limit.

Under the **Legal Action Against Us** provision, paragraph C. is replaced by the following:

- C. Under **PART D**, suit or action must start within 24 months of the date of loss, but this time period will be extended by the number of days between the date you file your proof of loss with us and the date we deny all or part of your claim.

Under the **Our Right To Recover Payment** provision, the following changes are added:

With respect to **PART B**, if we make a payment under this coverage and the person to or for whom payment is made recovers damages from another, we:

- A. Shall be entitled to the proceeds of the recovery; and
- B. May have a lien against such recovery;

to the extent of our payment in excess of \$5,000. Notice of the lien shall be given in writing to:

- A. A court having jurisdiction;
- B. The “insured”;

- C. Each person, firm, and corporation that the “insured” or the “insured’s” legal representative alleges are liable for damages arising from the accident; and
- D. That person’s, firm’s, and corporation’s insurer.

Under **Exclusion of Transportation Network Company And Personal Vehicle Sharing Program Use**, the following is added:

- C. The TNC coverage exclusion does not apply to **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage** until a participating driver has accepted a ride through the TNC’s online-enabled application or platform.

The **Termination** provision is replaced by the following:

#### **TERMINATION**

This policy includes a grace period of 7 days for the payment of any premium due, during which time this policy shall continue in full force subject to the following Termination provisions:

##### A. Cancellation

This policy may be cancelled during the policy period as follows:

1. The Named Insured shown in the Declarations may cancel by:
  - a. Returning this policy to us; or
  - b. Giving us advance written notice of the date cancellation is to take effect.
2. We may cancel by sending written notice of cancellation to the Named Insured. Notice shall be sent:
  - a. At least 8 days after the premium due date if cancellation is for nonpayment of premium. Cancellation is to take effect as of the date the notice is sent.
  - b. At least 10 days prior to the date cancellation is to take effect in all other cases.
3. We may not cancel this policy solely because of the location of the residence, age, race, color, religion, sex, national origin, or ancestry of anyone who is an “insured”.
4. After this policy is in effect for 60 days or if this is a renewal or continuation policy, we will cancel only if:
  - a. The Named Insured shown in the Declarations fails to pay the premium for this policy or any installment thereof;
  - b. The insurance was obtained through fraudulent misrepresentation;
  - c. You, any other driver who lives with you and who customarily operates “your covered auto”, or any other driver who regularly and frequently operates “your covered auto”:
    - 1) Has had their driver’s license suspended or revoked during the policy period;
    - 2) Becomes permanently disabled either physically or mentally and that individual does not produce a certificate from a physician or a registered nurse practitioner testifying to that individual’s ability to operate a motor vehicle;
    - 3) Is or has been convicted during the 36 months immediately preceding the effective date of the policy or during the policy period for:
      - a) Criminal negligence resulting in death, homicide, or assault, and arising out of the operation of a motor vehicle;
      - b) Operating a motor vehicle while in an intoxicated condition or while under the influence of drugs;
      - c) Leaving the scene of an accident;
      - d) Making false statements in an application for a driver’s license;
      - e) Reckless driving;

unless you agree in writing to exclude as insured such person by name when operating a motor vehicle and also agree to exclude coverage to the Named Insured for any negligence

which may be imputed by law to the Named Insured arising out of the maintenance, operation, or use of a motor vehicle by such excluded person.

- 4) Uses "your covered auto" while logged into a transportation network company's application or platform as a driver, whether or not a passenger is "occupying" the vehicle, unless:
  - a) You have procured an endorsement to this policy that expressly provides such coverage; or
  - b) You are covered by a motor vehicle liability insurance policy issued by another insurer expressly providing such coverage.

Transportation network company has the same meaning as under B.1. of the **EXCLUSION OF TRANSPORTATION NETWORK COMPANY AND PERSONAL VEHICLE SHARING PROGRAM USE**.

- d. We are placed in rehabilitation or receivership by the insurance supervisory official in our state of domicile or by a court of competent jurisdiction or the Director of Insurance has suspended our Certificate of Authority based on our financially hazardous condition.
- e. "Your covered auto" is used regularly and frequently for commercial purposes by:
  - 1) You;
  - 2) Any other driver who lives with you and who customarily operates "your covered auto"; or
  - 3) Any other driver who regularly and frequently operates "your covered auto".
- f. The Director of Insurance determines that the continuation of this policy would place us in violation of the laws of Arizona or would jeopardize our solvency.

#### B. Nonrenewal

1. We may refuse to renew or continue this policy for any reason other than the location, residence, age, race, color, religion, sex, national origin, or ancestry of anyone who is an "insured". However, we may refuse to renew or continue this policy if you establish a primary residence in a state other than Arizona.
2. If we decide not to renew or continue this policy, we will send written notice to the Named Insured shown in the Declarations. Notice will be sent at least 45 days before the end of the policy period except for nonpayment of premium as provided in the Offer To Renew provision.

#### C. Offer To Renew

If we offer to renew or continue this policy and you or your representative do not pay the required renewal or continuation premium within seven days after the due date, thereby not accepting our offer, we may terminate this policy on or after the eighth day following the due date, by sending written notice of termination to the Named Insured at the address shown in the policy. Termination is to take effect on the earlier of the following dates:

1. The date the notice is sent; or
2. The effective date of any other insurance you have obtained on "your covered auto".

However, if you or your representative notifies us in writing that you:

1. Have obtained other insurance on "your covered auto"; or
2. Do not wish to renew or continue this policy;

the above provision does not apply and any insurance provided by this policy will terminate in accordance with the Automatic Termination provision below.

#### D. Automatic Termination

If you notify us in writing that you do not wish to renew or continue, any insurance provided by this policy will automatically terminate at the end of the current policy period. We will send you a written notice of termination.

#### E. Other Termination Provisions

1. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund of the pro rata unearned premium.

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

Under the **Transfer of Your Interest in This Policy** provision, paragraph B. is deleted.

Under the **Two or More Auto Policies** provision, the following is added:

With respect to **PART C** and **Underinsured Motorists Coverage**, if this policy and any other auto insurance policy issued to you by us apply to the same accident with the same priority, only one of the policies will apply to the accident. You will select the one policy that will apply.

All other policy provisions apply.