

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

STATE ENDORSEMENT – DELAWARE

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 Delaware 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. \$10,000 for each accident with respect to “property damage”.

PART A – LIABILITY COVERAGE

Under the **Exclusions** provision, Exclusions A. and F. are replaced by the following:

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

- A. Who intentionally causes “bodily injury” or “property damage” to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the Financial Responsibility Law of the State of Delaware. However, this exclusion does not apply to an innocent co-insured as a result of abuse in accordance with Delaware 18 § 2304 (25)c.
- 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 a fee. However, this exclusion does not apply to the extent that this coverage provides the minimum limits of liability required by the Financial Responsibility Law of the State of Delaware or to a shared expense carpool.

PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

Under the **Limit of Liability** provision, paragraph B. is replaced by the following:

- B. For all other loss or damage to “your covered auto”, we will pay the amount necessary to repair or replace the property, whichever is less, with similar kind and quality, without regard to depreciation or betterment, but we will not pay more than the “Guaranteed Value[®]” for the applicable vehicle shown in the Declarations or Schedule.

PART F – GENERAL PROVISIONS

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

Under A. Cancellation, paragraphs 2. and 3. are replaced by the following:

- 2. We may cancel by mailing to the Named Insured shown in the Declarations at the last address known by us:
 - a. At least 10 days prior to the effective date of cancellation if notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy; or
 - b. At least 15 days prior to the effective date of cancellation for nonpayment of premium; or
 - c. At least 30 days’ notice by certified mail or by USPS Intelligent Mail Barcode (IMb) prior to the effective date of cancellation in all other cases.
- 3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, we will cancel only:
 - a. For nonpayment of premium;
 - b. If the policy was obtained through material misrepresentation;
 - c. If any “insured” violated any of the terms and conditions of the policy;
 - d. If you knowingly failed to disclose fully your motor vehicle accidents and moving traffic violations, or your losses covered under any automobile physical damage or comprehensive coverage, for the preceding 36 months, if called for in the application;
 - e. As to the renewal of the policy, if you at any time while the policy was in force failed to disclose fully to us, upon request, facts relative to accidents and losses incurred material to underwriting of the risk;

- f. If any “insured” made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim;
- g. If you or any driver who lives with you or any driver who customarily operates “your covered auto”:
- 1) Has, within the 36 months prior to the notice of cancellation, had a driver’s license suspended or revoked due to a driving offense.
 However, this paragraph g.1) shall not apply if the driver’s license of a person under the age of 18 years has been suspended or revoked pursuant to:
 - a) A court order declaring that the person is delinquent;
 - b) A nondriving-related violation for underage consumption and/or possession of alcohol;
 - c) A nondriving-related drug offense; or
 - d) The Delaware Department of Public Safety having reason to believe the person is a reckless or negligent driver of a motor vehicle or has committed a serious moving traffic violation;
 - 2) Has a history of and is subject to epilepsy or heart attacks and such individual cannot produce a certificate from a physician testifying to such individual’s unqualified ability to operate a motor vehicle safely;
 - 3) Has an accident record; criminal or traffic conviction record ; or physical, mental, or other condition which is such that such individual’s operation of an auto might endanger the public safety;
 - 4) Has, while the policy is in effect, engaged in a competitive speed contest while operating “your covered auto”;
 - 5) Is addicted to or uses narcotics or other drugs;
 - 6) Uses alcoholic beverages to excess, thereby impairing the ability to operate a motor vehicle;
 - 7) Has been convicted, or forfeited bail, during the 36 months immediately preceding the notice of cancellation for:
 - a) Any felony related to fraud or to the type of risk being insured;
 - b) Criminal negligence resulting in death, homicide, or assault arising out of the operation of a motor vehicle;
 - c) Operating a motor vehicle while in an intoxicated condition or while under the influence of drugs;
 - d) Leaving the scene of an accident without stopping to report;
 - e) Theft or unlawful taking of a motor vehicle; or
 - f) Making false statements in an application for a driver’s license;
 - 8) Has been convicted of, or forfeited bail for, 3 or more violations, the point total for which exceeds 8 points; or 3 at-fault accidents in which claims are paid in excess of \$250 per accident within the 36 months immediately preceding the notice of cancellation, of any law, ordinance, or regulation limiting the speed of motor vehicles or any of the provisions of the motor vehicle laws of any state, violation of which constitutes a dangerous moving violation as set forth in the Delaware Insurance Code, whether or not the violations were repetitions of the same offense or different offenses;
- h. If “your covered auto” is:
- 1) So mechanically defective that its operation might endanger public safety;
 - 2) Used in carrying passengers for hire or compensation. This does not include a carpool;
 - 3) Used in the business of transportation of flammables or explosives;
 - 4) An authorized emergency vehicle;

- 5) Modified or changed in condition during the policy period so as to increase the risk substantially; or
- 6) Subject to an inspection law and has not been inspected or, if inspected, fails to qualify; or
 - i. For any other reason permitted by state law.

B. Nonrenewal is replaced by the following:

Nonrenewal. If we decide not to renew or continue this policy, we will mail notice by certified mail or by USPS Intelligent Mail Barcode (IMb) to the Named Insured shown in the Declarations at the last address known by us. Notice will be mailed at least 30 days before the end of the policy period. If the policy period is other than 1 year, we will have the right not to renew or continue it only at each anniversary of its original effective date.

We will only nonrenew or refuse to continue this policy if one of the reasons listed in paragraph 3. of A. Cancellation exists.

Under D. Other Termination Provisions, paragraph 2. is replaced by the following:

- 2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. Any refunded premium will be calculated pro rata from the unearned premium for the current policy period. However, making or offering to make the refund is not a condition of cancellation.

However, if the Named Insured cancels, we will send the refund only if one or more of the following has occurred:

- a. The Named Insured has other insurance in effect on "your covered auto" which provides at least the minimum limits required by the Delaware Insurance Code for Liability and No-fault Coverage;
- b. "Your covered auto" is no longer owned by the Named Insured;
- c. "Your covered auto" is no longer operable or capable of being repaired so as to become operable; or
- d. The Named Insured becomes self-insured under the provisions of the Delaware Insurance Code.

The **Two or More Auto Policies** provision is replaced by the following with regard to **PART C**:

If this policy and any other auto insurance policy issued to you or any resident of your household, by us or any company affiliated with us, apply to the same accident, the maximum limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

All other policy provisions apply.