

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## STATE ENDORSEMENT – KANSAS

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 Kansas 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. \$25,000 for each accident with respect to “property damage”.

### DEFINITIONS

The following is added to the **Definitions**:

Throughout the policy wherever the phrase “total loss” appears it means when the total retail cost of repair meets or exceeds 75% of the Guaranteed Value® of the motor vehicle. The foregoing excludes exterior cosmetic damage that results from windstorm or hail.

“Actual cash value” means the amount it would cost to repair or replace the covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation, and obsolescence.

The definition of “family member” is replaced by the following:

“Family member” means a person related to you by blood, marriage, or adoption who is a resident of your household, whether or not temporarily living elsewhere. This includes a ward or foster child.

### PART A – LIABILITY COVERAGE

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

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 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 damages resulting from the occurrence equals the limit of liability shown in the Declarations. We have no duty to defend any suit or settle any claim for “bodily injury” or “property damage” not covered under this policy.

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

In addition to our limit of liability, we will pay on behalf of an “insured”:

- F. Prejudgment interest awarded against the “insured” on that part of the judgment we pay. If we make an offer to pay our limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.

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

Exclusion C. is deleted.

Exclusion D. is replaced by the following:

- D. For damage to property:
  1. Rented to;
  2. Transported by;
  3. In the care of; or
  4. Owned by;
 that “insured”.

This exclusion does not apply to damage to a residence or private garage.

With respect to coverage up to the minimum limits of liability required by the Kansas Automobile Injury Reparations Act, Exclusions E., F., and I. are replaced by the following:

- E. For “bodily injury” to an employee of that “insured” during the course of employment if benefits are

required or available for that employee under any of the following or similar law:

1. Workers' compensation law; or
  2. Disability benefits law.
- F. For that "insured's" liability arising out of the ownership or operation of a vehicle while it is being used to carry persons or property for a fee or while rented to others. This exclusion does not apply to a share-the-expense carpool.
- I. For "bodily injury" or "property damage" for which that "insured" is an insured under a nuclear energy liability policy.

Exclusion G. is replaced by the following:

- G. Maintaining or using any 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.
1. This exclusion does not apply to the maintenance or use of a:
    - a. Private passenger auto;
    - b. Pickup or van; or
    - c. "Vehicle trailer" used with a vehicle described in a. or b. above.
  2. However, under 1. above, no coverage is provided to the extent that the limits of liability exceed the minimum limits of liability required by the Kansas Automobile Injury Reparations Act.

The following is added to Exclusion H.:

This exclusion does not apply to a "family member" using "your covered auto" which is owned by you.

Exclusion J. is deleted.

Exclusion K. is deleted.

Exclusion L. is deleted.

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

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

### **APPRAISAL**

- A. After a claim has been made seeking coverage for a loss, if we and you do not agree on the amount of loss, an appraisal of the loss may be made within 30 days.
- B. **Both parties must agree, voluntarily, to the appraisal and neither party shall be forced to participate.**

If both parties voluntarily agree, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. The appraisers will state separately the "actual cash value" and the amount of loss. If they fail to agree, they will submit their differences to the umpire.

- C. **A decision agreed to by any two will be binding.**
- D. Each party will:
  1. Pay its chosen appraiser; and
  2. Bear the expenses of the appraisal and umpire equally.
- E. We do not waive any of our rights under this policy by agreeing to an appraisal.

## **PART F – GENERAL PROVISIONS**

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

### **CONCEALMENT OR MISREPRESENTATION**

We do not provide coverage for any "insured" who, knowingly and with intent to defraud, presents, causes to be presented, or prepares with knowledge or belief that it will be presented, any written, electronic, electronic

impulse, facsimile, magnetic, oral, or telephonic communication or statement relating to any accident or claim for which coverage is sought under this policy, which such person:

1. Knows to contain materially false information; or
2. Conceals, for the purposes of misleading, information; concerning any material fact.

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

- C. Under **PART D**, suit or action must start within 5 years 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 made:

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

This provision does not apply to **PART B**.

- A. If we make payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:
  1. Whatever is necessary to enable us to exercise our rights; and
  2. Nothing after loss to prejudice our rights.

However, our rights in this paragraph do not apply under **PART D** against any person using “your covered auto” with a reasonable belief that that person is entitled to do so. However, this permissive use exception does not apply when “your covered auto” is in the care, custody, and control of any “business” entity.

Our rights in this paragraph do not apply with respect to damages caused by an accident with an:

1. “Underinsured motor vehicle” if we:
    - a. Have been given written notice by certified mail of a tentative agreement between an “insured” and the insuring company of the owner or operator of the “underinsured motor vehicle”; and
    - b. Fail to advance payment to the “insured” in an amount equal to the tentative settlement within 60 days after receipt of the notice.
  2. “Uninsured motor vehicle” to which a liability bond or policy applies at the time of the accident, but the bonding or insuring company is or becomes insolvent.
- 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.

The **Payment of Loss** provision is replaced by the following:

#### **PAYMENT OF LOSS**

Unless a claim has been paid by others, payment of loss, with all your indebtedness to us being first deducted, will be made within 30 days after we either reach agreement with you, a final judgment is entered in the court, or an arbitration or appraisal award is filed with us.

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property. However, if the loss is a total loss to “your covered auto” and we elect either to pay for loss in money or to purchase a comparable replacement vehicle, our payment for loss will include, other than payment for any applicable deductible shown in the Declarations, all:

- A. Applicable taxes;
- B. License fees; and
- C. Other fees;

incident to transfer of evidence of ownership of a comparable replacement vehicle.

We may, at our expense, return any stolen property to you or to the address shown in this policy. If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

The right of salvage belongs to us. You may, at your option, purchase the salvage from us. You must advise us of your intent prior to our making payments under the terms of this policy.

If we pay a total loss or a "constructive total loss" for any of "your covered auto(s)" shown in the Declarations, then the following coverages provided in this policy, for such covered auto(s) only, will terminate simultaneously upon payment of the loss:

- A. **PART A, PART B, and PART C**, but only when we retain salvage; and
- B. **PART D**.

The amount we will pay for a total loss or "constructive total loss" of "your covered auto(s)" shall be reduced by any amount previously paid for repairs not completed at the time of the total loss or "constructive total loss".

Under the **Regular Use Vehicle Requirement – Purchasing and Maintaining Other Insurance Coverage for You and Your Regular Use Vehicle** provision, paragraph B.3. is replaced by the following:

To the extent allowed by law, we have the right to cancel and/or not renew this policy if at any time during the policy period you do not have a separate insurance policy in effect with at least all of the coverages provided by this policy, and all of the types of coverage required by law, and with at least equal or higher limits of liability as this policy.

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

- A. Cancellation 2. and 3. are replaced by the following:
  - 2. We may cancel by mailing by certified or registered mail, United States Post Office certificate of mailing, or any other mail tracking method currently used, approved, or accepted by the United States Postal Service to the Named Insured shown in the Declarations at the address shown in this policy or otherwise last known to us:
    - a. At least 5 days' notice if the cancellation is for nonpayment of a premium installment under a premium financing plan;
    - b. At least 10 days' notice if cancellation is for nonpayment of premium; or
    - c. At least 30 days' notice in all other cases.
  - 3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, this policy cannot be cancelled solely because of age, but only:
    - a. For nonpayment of premium;
    - b. If the policy was obtained through fraudulent misrepresentation;
    - c. If you violate any of the terms and conditions of this policy;
    - d. If you or any other driver who lives with you or customarily uses "your covered auto":
      - 1) Has had his or her driver's license suspended or revoked during the policy period;
      - 2) Is or becomes subject to epilepsy or heart attacks, and such individual cannot produce a certificate from a physician testifying to his or her 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) Any felony;
        - 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 of a motor vehicle;

- f) Making false statements in an application for a driver's license; or
- g) A third moving violation, committed within a period of 18 months, of:
  - (1) Any regulation limiting the speed of motor vehicles;
  - (2) Any of the provisions in the motor vehicle laws of any state, the violation of which constitutes a misdemeanor or traffic infraction; or
  - (3) Any ordinance traffic infraction, or ordinance which prohibits the same acts as a misdemeanor statute of the uniform act regulating traffic on highways, whether or not the violations were repetitious of the same offense or were different offenses.
- e. For any other reason permitted by state law.

B. Nonrenewal is replaced by the following:

If we decide not to renew or continue this policy, we will mail notice, by registered or certified mail, United States Post Office certificate of mailing, or any other mail tracking method currently used, approved, or accepted by the United States Postal Service, to the Named Insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period. We will only nonrenew or refuse to continue the liability and personal injury protection coverages of this policy if:

- 1. One of the reasons as listed in A. Cancellation, 3. exists; or
- 2. We are otherwise permitted by KAN. STAT. ANN s 40-276a.

D. Other Termination Provisions is replaced by the following:

- 1. Proof of mailing of any notice shall be sufficient proof of notice.
- 2. If this policy is canceled, you may be entitled to a premium refund. If so, we will refund you the return premium with the notice of cancellation or within 10 days from the date of such notice. The premium refund, if any, will be computed pro rata. However, making or offering to make the refund is not a condition of cancellation.
- 3. The effective date of cancellation stated in the notice shall become the end of the policy period.

All other policy provisions apply.