

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY.

## STATE ENDORSEMENT - ILLINOIS

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 Illinois law, to be provided under a policy of automobile liability insurance:

1. \$25,000 for each person, subject to \$50,000 for each accident, with respect to "bodily injury"; and
2. \$20,000 for each accident with respect to "property damage".

### DEFINITIONS

A. is deleted and replaced by the following:

- A. Throughout this policy, "you" and "your" refer to the named insured shown in the Declarations, and:

1. The spouse; or
2. A party who has entered into a civil union with the named insured recognized under Illinois law;

if a resident of the same household.

If the spouse or party who has entered into a civil union with the named insured ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse or such party will be considered "you" or "your" under this policy but only until the earlier of:

1. The end of 90 days following the spouse's or such party's change of residency;
2. The effective date of another policy listing the spouse or such party as a named insured; or
3. The end of the policy period.

E. is deleted and replaced by the following:

- E. "Family member" means a person related to you by blood, marriage, civil union recognized under Illinois law or adoption who is a resident of your household. This includes a ward or foster child.

### PART A – LIABILITY COVERAGE

Paragraph A. of the **Insuring Agreement** is replaced by the following:

- 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 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 our limit of liability for this coverage has been exhausted. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.

### EXCLUSIONS

1. is deleted and replaced by:

1. Who intentionally causes "bodily injury" or "property damage".

However, this exclusion shall not apply to an innocent co-insured who did not cooperate or contribute to the creation of the loss, if the loss arose out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the loss.

6. is replaced by the following:

6. While employed or otherwise engaged in the "business" of:

- a. Selling;
- b. Repairing;
- c. Servicing;
- d. Storing; or
- e. Parking;

vehicles designed for use mainly on public highways. This includes road testing and delivery. This Exclusion (6.) does not apply to the ownership, maintenance or use of "your covered auto" by:

- a. You;
- b. Any "family member";
- c. Any partner, agent, or employee of you or any "family member"; or
- d. Any other person.

7. is replaced by the following:

- 7. Maintaining or using "your covered auto" while that "insured" is employed or otherwise engaged in any "business" (other than farming or ranching) not described in Exclusion 6.

This Exclusion (7.) does not apply to the maintenance or use of a:

- a. Private passenger auto;
- b. Pickup or van; or
- c. "Trailer" used with a vehicle described in a. or b. above.

8. is replaced by the following:

- 8. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion (8.) does not apply to a "family member" using "your covered auto" which is owned by you.

The following exclusion is added:

We do not provide Liability Coverage for any "insured" for "bodily injury" to you or any "family member". However, this exclusion does not apply:

- a. To the maintenance or use of "your covered auto" by any "insured" other than you or any "family member"; or
- b. When a third party acquires a right of contribution against you or any "family member".

## **PART B — MEDICAL PAYMENTS COVERAGE**

The Insuring Agreement Provision is replaced by the following:

### **INSURING AGREEMENT**

- A. We will pay reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":

- 1. Caused by an accident; and
- 2. Sustained by an "insured".

We will pay only those expenses incurred for services rendered within 3 years from the date of the accident.

- B. "Insured" as used in this Part means:

- 1. You or any "family member":
  - a. While "occupying" "your covered auto"; or
  - b. As a pedestrian when struck by a motor vehicle designed for use mainly on public roads or a trailer of any type.
- 2. Any other person while "occupying" "your covered auto".

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**EXCLUSIONS**

1. is replaced by the following:

1. Sustained while "occupying" "your covered auto" when it is being used to carry persons or property for a fee. However, this does not apply to a share the expense car pool.

4. is deleted.

6. is deleted.

**PART C — UNINSURED MOTORISTS COVERAGE****INSURING AGREEMENT**

B. is replaced by the following:

B. "Insured" as used in this Part means:

1. You or any "family member".
2. Any other person "occupying" "your covered auto".

C.3. is replaced by the following:

C. "Uninsured motor vehicle" means a land motor vehicle or trailer of any type:

3. Which is a hit and run vehicle whose operator or owner cannot be identified and which hits or causes an object to hit:
  - a. You or any "family member";
  - b. A vehicle which you or any "family member" are "occupying"; or
  - c. "Your covered auto".

If there is no physical contact with the hit and run vehicle the facts of the accident must be proved.

Exception 1. to the definition of "uninsured motor vehicle" is replaced by the following:

However, "uninsured motor vehicle" does not include any vehicle or equipment:

1. Owned by or furnished or available for the regular use of you or any "family member" unless it is a "your covered auto" to which **Part A** of the policy applies and liability coverage is excluded for damages sustained in the accident.

**EXCLUSIONS**

A.2. is replaced by the following:

A. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained:

2. By any person while "occupying", or when struck by, any motor vehicle owned by or leased to you which is insured for this coverage under another policy. This includes a trailer of any type used with that vehicle.

B.2 is replaced by the following:

B. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":

2. While "occupying" "your covered auto" when it is being used to carry persons or property for a fee. However, this does not apply to a share the expense car pool.

B.3. is replaced by the following:

B. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":

3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion (B.3.) does not apply to a "family member" using "your covered auto" which is owned by you.

B.4. is deleted.

The **Other Insurance** Provision is deleted and replaced by the following:

**OTHER INSURANCE PROVISION**

- A. If there is other applicable insurance available, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.
- B. If an "insured" sustains "bodily injury" while occupying any vehicle other than "your covered auto", this coverage applies as excess to any uninsured motorists coverage which applies to that vehicle or driver, but only in the amount that uninsured motorists coverage provided under this policy exceeds the uninsured motorists coverage provided in the other policy.

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

**ARBITRATION**

- A. If we and an "insured" do not agree:
  - 1. Whether that person is legally entitled to recover damages under this part; or
  - 2. As to the amount of damages;
 either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If such arbitrators are not selected within 45 days, either party may request that the arbitration be submitted to the American Arbitration Association.
- B. We will bear all the expenses of the arbitration except when the "insured's" recovery exceeds the minimum limit specified in the Illinois Safety Responsibility Law. If this occurs, the "insured" will be responsible up to the amount by which the "insured's" recovery exceeds the statutory minimum for:
  - 1. Payment of his or her expenses; and
  - 2. An equal share of the third arbitrator's expenses.
- C. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives.

If arbitration is submitted to the American Arbitration Association, then the American Arbitration Association rules shall apply to all matters except medical opinions. As to medical opinions, if the amount of damages being sought:

- 1. Is equal to or less than the minimum limit for bodily injury liability specified by the Illinois Safety Responsibility Law, then the American Arbitration Association rule shall apply.
- 2. Exceeds the minimum limit for bodily injury liability specified by the Illinois Safety Responsibility Law, then rules of evidence that apply in the circuit court for placing medical opinions into evidence shall apply.

In all other cases, local rules of law as to procedure and evidence shall apply.

- D. A decision agreed to by at least two of the arbitrators will be binding as to:
  - 1. Whether the "insured" is legally entitled to recover damages; and
  - 2. The amount of damages. This applies only if the amount does not exceed the lesser of:
    - a. \$75,000 for "bodily injury" to any one person in any one accident.  
Subject to this limit per person, \$150,000 for "bodily injury" to two or more people in any one accident; or
    - b. The limits for "bodily injury" shown in the Declarations.

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If the amount exceeds the aforementioned limits, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

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

### **EXCLUSIONS**

10. is deleted and replaced by the following:

We will not pay for:

10. Loss or damage intentionally caused or directed by you or any “family member”.

However, this exclusion shall not apply to an innocent co-insured who did not cooperate or contribute to the creation of the loss, if the loss arose out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the loss.

## **PART F — GENERAL PROVISIONS**

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

The following is added to the **Concealment or Fraud** Provision:

With respect to the application for or policy of insurance, this condition does not apply once the policy has been in effect for one year or one policy period, whichever is less. Notwithstanding the limitation in this paragraph, we may cancel or nonrenew this policy in accordance with the terms of A. Cancellation and B. Nonrenewal in the Termination provision of this endorsement shown below.

The second paragraph of the **Payment of Loss** Provision is deleted and replaced by the following:

If we pay a total loss or a “constructive total loss” for any of “your covered auto(s)” shown in the Declarations, all coverage under this policy for such covered auto(s) will terminate simultaneously upon payment of the loss. 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”.

### **TERMINATION**

A. Cancellation,

2. is deleted and replaced by the following:

2. We may cancel by mailing to the named insured shown in the Declarations at the address last known by us and to such named insured's agent or broker of record:
  - a. At least 10 days notice if cancellation is for nonpayment of premium; or
  - b. At least 30 days notice in all other cases.

Our notice of cancellation must include a specific explanation of the reason for cancellation.

3. adds the following:

For any other reason permitted by state law.

B. Nonrenewal is deleted and replaced by the following:

- B. Nonrenewal. If we decide not to renew or continue this policy, we will mail notice to the named insured shown in the Declarations at the address last known by us and to such named insured's agent or broker of record. Notice will be mailed at least 30 days before the end of the policy period and will include a specific explanation of the reasons for nonrenewal. If the policy period is other than 1 year, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

If this policy has been in effect for 5 years or more, we will only nonrenew or refuse to continue the policy if we:

1. Mail you notice of our intent 60 days prior to the expiration date; or
  2. Are otherwise permitted to by Illinois Law.
- D. Other Termination Provisions, 1. is deleted and replaced by the following:
1. Proof of mailing of any notice shall be sufficient proof of notice.

The **Transfer Of Your Interest In This Policy** Provision is replaced by the following:

**TRANSFER OF YOUR INTEREST IN THIS POLICY**

- A. Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
1. The surviving:
    - a. Spouse; or
    - b. Party who has entered into a civil union with the named insured recognized under Illinois law;  
  
if a resident in the same household at the time of death. Coverage applies to the spouse or party who has entered into a civil union with the named insured as if a named insured shown in the Declarations; and
  2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use "your covered auto."
- B. Coverage will only be provided until the end of the policy period.

The **Amendatory Endorsements** Provision is deleted.

All other policy provisions apply.