

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY.

## STATE ENDORSEMENT - VERMONT

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 Vermont 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. \$10,000 for each accident with respect to "property damage".

### DEFINITIONS

The definitions of "you" and "your" are replaced by the following:

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" under Vermont 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" and "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 such party as a named insured; or
3. The end of the policy period.

E. "Family member" is deleted and replaced by the following:

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

H. "Vehicle trailer" is deleted and replaced by the following:

- H. "Vehicle trailer" means a vehicle designed to be pulled by a:
  1. Private passenger auto; or
  2. Pickup, panel truck or van.

### PART A - LIABILITY COVERAGE

#### INSURING AGREEMENT

Paragraph A. is deleted and 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". Damages include prejudgment interest awarded against the "insured". We will settle or defend, as we consider appropriate, any claim or suit asking for damages which are payable under the terms of this policy. In addition to our limit of liability, we will pay all defense costs we incur. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.

#### LIMIT OF LIABILITY

The following provision is added:

If a judgment is rendered against you and we continue the suit by appeal or otherwise, no limitation of liability in this policy shall be valid unless you agree to this continuation.

### PART D - COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

#### EXCLUSIONS

Exclusion 10. is deleted and replaced by the following:

10. Loss or damage intentionally caused or directed by you.

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

#### **PAYMENT OF LOSS**

Unless a claim has been paid by others, we will pay any loss covered under this policy within 10 business days after we reach agreement with you, entry of a final judgment, or the filing of an appraisal award with us.

We may pay for loss in money or repair or replace the damaged or stolen property. 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.

The **Vehicle Trailer** Provision is deleted and replaced by the following.

#### **VEHICLE TRAILER**

We will cover "your vehicle trailer", less any deductible shown in the Declarations, for up to the amount of insurance specified in the Declarations.

Coverage is subject to all of the applicable terms and conditions of this policy.

"Your vehicle trailer" means the vehicle trailer(s) shown in the Declarations.

#### **PART E – DUTIES AFTER AN ACCIDENT OR LOSS**

The phrase 'or as soon as practicable' is added after every occurrence of the word 'promptly'.

B.4. is deleted and replaced with the following:

4. Authorize us to obtain:
  - a. Relevant medical reports; and
  - b. Other pertinent records.

#### **PART F - GENERAL PROVISIONS**

The **Private Pleasure Use** Provision is deleted and replaced by the following:

#### **PRIVATE PLEASURE USE**

Coverage will not apply if "your covered auto" is:

- A. Rented or leased to any person for a fee;
- B. Used to carry persons or property for a fee, or for any commercial use unless prior written consent has been obtained from us; or
- C. Used for any illegal act by a named insured or "family member".

The **Concealment or Fraud** Provision is replaced by the following:

#### **CONCEALMENT OR FRAUD**

We do not provide coverage for any "insured" who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy.

The **Legal Action Against Us** Provision is replaced by the following:

#### **LEGAL ACTION AGAINST US**

No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under **Part A** or Accidental Death Coverage:

1. No legal action may be brought against us until:
  - a. We agree in writing that the "insured" has an obligation to pay; or
  - b. The amount of that obligation has been finally determined by judgment after trial.

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2. No legal action may be brought against us after one year from the date the terms of either a. or b. above have been met.

However:

1. Your right to bring legal action against us is not conditioned upon your compliance with the **Appraisal** Provision of **Part D**.
2. Under **Part A** or Accidental Death Coverage, payment of any judicial judgment or claim by you for any of our liability shall not bar you from any action or fight of action against us. No person or organization has any right under this policy to bring us into any action to determine the liability of an "insured".

## **PAYMENT OF LOSS**

The first two paragraphs are deleted and replaced by the following:

Payment of loss, will be made within 10 business days after we either reach agreement with you, a final judgment is entered in the court, or an arbitration award is filed with us.

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:
  - a. Giving the named insured shown in the Declarations at the address shown in this policy at least 15 days notice by certified mail or certificate of mailing if cancellation is for nonpayment of premium; or
  - b. Mailing by certified mail to the named insured shown in the Declarations at the address shown in this policy at least 45 days notice in all other cases.

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 shown in this policy. Notice will be mailed at least 45 days before the end of the policy period. Subject to this notice requirement, 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.

D. Other Termination Provisions adds the following:

We will give notice of cancellation to the loss payee stated in the policy if the named insured shown in the Declarations requests cancellation of:

- a. The entire policy; or
- b. Any Coverage for Damage to Your Auto afforded under this policy to any "your covered auto" for which the loss payee has an insurable interest.

If we decide to cancel this policy, the same method of mailing the notice of cancellation to the named insured shown in the Declarations will also be used to notify the loss payee stated in the policy.

The **Transfer Of Your Interest In This Policy** Provision is deleted and 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 entered into a civil union with the “named insured” under Vermont law; if resident in the same household at the time of death. Coverage applies to the spouse or party who entered into a civil union with a “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.

The **State Law** Provision is deleted and replaced by the following:

**STATE LAW**

Any provision of this policy, which is in direct conflict with the laws, regulations and statutes of the state of Vermont, will be governed by the laws, regulations and statutes of the state of Vermont as of the effective date of this policy.

All other policy provisions apply.