

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## UNINSURED AND UNDERINSURED MOTORISTS COVERAGE - MINNESOTA

**PART C – UNINSURED MOTORISTS COVERAGE** is replaced by the following **PART C – UNINSURED AND UNDERINSURED MOTORISTS COVERAGE**:

### INSURING AGREEMENTS

#### A. Uninsured Motorists Coverage (UM)

If the premium for **Uninsured Motorists Coverage** has been paid, we will pay for compensatory damages that an “insured” is legally entitled to recover from the owner or operator of an “uninsured motor vehicle” for “bodily injury” sustained by that “insured” and caused by a motor vehicle accident.

The owner’s or operator’s liability for these damages must:

1. Be due to a motor vehicle accident; and
2. Arise out of and be causally connected to the ownership, maintenance or use of the “uninsured motor vehicle”.

#### B. Underinsured Motorists Coverage (UIM)

If the premium for **Underinsured Motorists Coverage** has been paid, we will pay for compensatory damages that an “insured” is legally entitled to recover from the owner or operator of an “underinsured motor vehicle” for “bodily injury” sustained by that “insured” and caused by a motor vehicle accident.

The owner’s or operator’s liability for these damages must:

1. Be due to a motor vehicle accident; and
2. Arise out of and be causally connected to the ownership, maintenance or use of the “underinsured motor vehicle”.

C. Any payment by us for this **Uninsured and Underinsured Motorists Coverage** is subject to the limits elected and shown in the Declarations or Schedule, and as further described in the **Limit of Liability** provision of this endorsement.

D. “Insured” as used in this endorsement means:

1. You or a “family member” while “occupying” “your covered auto”.
2. You or a “family member” while not “occupying” a motor vehicle.
3. Any other person while “occupying” “your covered auto” with permission from you.
4. Any person, for damages that person is legally entitled to recover because of “bodily injury” to a person described in this definition in 1., 2., or 3. above. This does not increase our limit of liability in any accident to an amount greater than the limit that applies to the person who has sustained a “bodily injury” and is described in this definition in 1., 2., or 3. above.

However, “insured” shall NOT mean and does NOT include:

1. You;
2. Any “family member” or any other person related to you who resides with you; or
3. Any other person;

while “occupying”, operating or otherwise using any vehicle owned by, or furnished or available for the regular use of, you, or any person related to you who resides with you, if that vehicle is not “your covered auto”.

- E. "Minimum limits", as used in this endorsement, means the minimum amounts of liability insurance required under a financial responsibility or compulsory insurance law of the state where "your covered auto" is registered, as shown in our records, that apply to the owner or operator of a private passenger automobile. The minimum limits amount will be the each person/each accident limit required by these laws.
- F. "Underinsured motor vehicle" means a land motor vehicle for which one or more "bodily injury" liability bonds or policies apply, with limits of liability greater than "minimum limits", at the time of the accident, but the:
1. Sum of all limits available under those bonds and policies for "bodily injury" liability coverage is not enough to pay the full amount the "insured" is legally entitled to recover for compensatory damages from the owner or driver of that motor vehicle; or
  2. Amount actually made available under all liability bonds and policies for "bodily injury" to the "insured", after payment to other persons injured in the same accident, is not enough to pay the full amount the "insured" is legally entitled to recover for compensatory damages from the owner or driver of that motor vehicle.

An "underinsured motor vehicle" does NOT include any vehicle or its equipment:

1. Located for use as a residence or premises;
2. Designed for use mainly off public roads, while not on public roads;
3. Operated on rails or crawler treads;
4. Shown in the Declarations or Schedule, or insured under the liability coverage, of this policy;
5. Owned or operated by, or furnished or available for the regular use of, you, any "family member" or any other person related to you who resides with you; or
6. That is an "uninsured motor vehicle".

G. "Uninsured motor vehicle" means a land motor vehicle that is:

1. Not insured or bonded for "bodily injury" liability at the time of the accident;
2. Insured or bonded for "bodily injury" liability at the time of the accident, but the:
  - a. Bonding or insuring company denies coverage or is, or becomes, insolvent; or
  - b. Limit of liability for "bodily injury" under that policy or bond is less than the "minimum limits";
3. A hit-and-run motor vehicle for which the owner or operator cannot be identified that causes "bodily injury" to an "insured".

An "uninsured motor vehicle" does NOT include any vehicle or its equipment:

1. Located for use as a residence or premises;
2. Designed for use mainly off public roads, while not on public roads;
3. Operated on rails or crawler treads;
4. Shown in the Declarations or Schedule, or insured under the liability coverage, of this policy;
5. Owned or operated by, or furnished or available for the regular use of, you, any "family member" or any other person related to you who resides with you;
6. Owned or operated by a self-insurer under any motor vehicle law that applies, other than a self-insurer that denies coverage, is or becomes insolvent or cannot provide the "minimum limits" as required by law; or
7. That is an "underinsured motor vehicle".

## ADDITIONAL TERMS & DUTIES

The coverage provided by this endorsement is also subject to these additional terms and duties:

- A. If the owner or operator of an “uninsured motor vehicle” or “underinsured motor vehicle” has liability insurance, self-insurance or bond, we will not make a payment under **Uninsured and Underinsured Motorists Coverage** to or for an “insured” until after one of the following occurs:
1. You and we agree, in writing, to a written settlement;
  2. We have been given both:
    - a. Prompt written notice of an offer of settlement by the owner, operator or insurer of an “uninsured motor vehicle” or “underinsured motor vehicle”, and
    - b. Within 30 days of that offer notice, an opportunity to advance payment to the “insured” in an amount equal to that offer of settlement so as to protect our rights to recover against the liable owner and/or operator (or its insurer). Such notice to us must include and clearly set forth all of the following information:
      - (1) The identity of the “insured”, the owner or driver of the “uninsured motor vehicle” or “underinsured motor vehicle”, and the insurer (if any) of the “uninsured motor vehicle” or “underinsured motor vehicle”;
      - (2) The limits of the liability insurance available to the owner or driver of the “uninsured motor vehicle” or “underinsured motor vehicle”; and
      - (3) The agreed upon amount of the tentative settlement.
- B. Without our prior written consent, we are not bound by any settlement for damages with the owner or operator of an “uninsured motor vehicle” or “underinsured motor vehicle”.
- C. We are not bound by any judgment arising out of a lawsuit against the owner or operator of an “uninsured motor vehicle” or “underinsured motor vehicle” unless the “insured” or a representative of the “insured” has given us reasonable:
1. Notice of the commencement of the lawsuit resulting in judgment; and
  2. The opportunity to protect our interests in the lawsuit.
- D. In the event of an accident involving a hit-and-run or unidentified vehicle:
1. The “insured” (or someone on behalf of the “insured”) must contact the police (or other law enforcement with proper jurisdiction) within 24 hours of, or as soon as practicable after, that accident, and file a written report;
  2. The “insured” (or someone on behalf of the “insured”) must contact us within 30 days of, or as soon as practicable after, that accident; and
  3. If there is no physical contact with an unidentified motor vehicle, then the facts of the accident must be proven by an “insured” making a claim.

## EXCLUSIONS

- A. **Uninsured and Underinsured Motorists Coverage** does NOT cover “bodily injury” to an “insured” or any person:
1. If the claim is settled without our written consent and our rights are prejudiced.
  2. That occurs while using or “occupying” a vehicle without permission from the owner of the vehicle. This does not apply to you or a “family member” when using or “occupying” “your covered auto”.

3. That occurs while “your covered auto” is being used as a public or livery conveyance to the extent that the limit of liability for this coverage exceeds the minimum limit of liability required by Minnesota Statute. This exclusion (A.3.) does not apply to shared expense car pools.
  4. That occurs while “occupying”, operating or otherwise using any vehicle owned by, or furnished or available for the regular use of, you, a “family member” or any other person related to you who resides with you, if that vehicle is not “your covered auto”.
- B. **Uninsured and Underinsured Motorists Coverage** shall NOT apply, directly or indirectly, to benefit any:
1. Workers’ compensation or disability benefits insurer;
  2. Self-insurer under any workers’ compensation, or disability benefits or similar law; or
  3. Government body or agency.
- C. We do NOT provide any coverage of any kind for any punitive or exemplary damages, however named, and we do not cover any and all:
1. Damages that are separate from sums intended to provide compensation, and are instead intended or awarded to:
    - a. Punish or deter wrongful, malicious or unlawful conduct by any person or party; or
    - b. Fine, penalize or impose a statutory penalty; and
  2. Attorney fees, interest, costs or other fees awarded in connection with the award of any such punitive or exemplary damages.

#### **LIMIT OF LIABILITY**

Our **Uninsured and Underinsured Motorists Coverage** limit of liability, which is the most we will pay, is the limit shown in the Declarations or Schedule. That limit is subject to the following terms:

- A. The most we will pay for all covered damages is:
1. The limit for each person shown in the Declarations or Schedule, which shall:
    - a. Apply for all claims due to “bodily injury” to one person in any one accident; and
    - b. Include all claims allowed by law and incurred by persons other than the person who sustains the actual “bodily injury” that results from an accident. These claims include, but are not limited to, derivative or independent claims (however labeled and where allowed by law) for: wrongful death; loss of consortium, companionship, society, support and services; and emotional distress or mental anguish as a result of seeing the accident or “bodily injury”.
  2. If the limit shown in the Declarations or Schedule shows a per person and per accident limit, that per accident limit:
    - a. Shall apply for “bodily injury” to two or more persons in any one accident; and
    - b. Is subject to the “bodily injury” limit for “each person” as described above.
  3. If only a single per accident limit is shown as the limit of liability in the Declarations or Schedule for **Uninsured and Underinsured Motorists Coverage**, that amount shown is the most we will pay for the total of all covered damages resulting from any one accident. We will comply with any law requiring us to provide any separate limits, but this does not increase the total limit of liability that applies to each accident.
- B. There will be no adding, stacking or combining of limits for any one covered accident no matter the number of:
1. Injured persons, claims or lawsuits asserted;

2. Vehicles or trailers involved in the accident;
  3. Insureds on this policy or involved in the accident;
  4. Vehicles or premiums shown in the Declarations or Schedule; or
  5. Policies issued by us.
- C. The total damages an “insured” is legally entitled to recover because of the accident with the owner or driver of an “uninsured motor vehicle” or “underinsured motor vehicle” shall be reduced by any amount paid or to be paid because of “bodily injury”:
1. By or on behalf of any persons or parties that may be legally responsible for the injury, including, but not limited to, all amounts paid under **PART A – LIABILITY COVERAGE** or **PART B – MEDICAL PAYMENTS COVERAGE** of this policy; and
  2. Paid under **PERSONAL INJURY PROTECTION COVERAGE - MINNESOTA** (except for any applicable deductible); and
  3. Paid or payable because of “bodily injury” under any workers’ compensation law, disability benefits law, or similar laws, exclusive of any state non-occupational disability benefits law; and
  4. Paid or payable from any other source of recovery, including any other insurance policy.
- However, this shall not reduce the available amount to less than the minimum amounts of uninsured and underinsured motorists coverage required by law.
- D. Duplicate payments will not be allowed or made for the same element of damages, expense or loss that has been or will be paid by any other coverage under this policy, any other policy or by any other source.

#### **OTHER INSURANCE**

If there is other uninsured and/or underinsured motorists coverage, or similar type of insurance or source of recovery, that applies or is available under one or more policies:

- A. Except when the “insured” is “occupying” “your covered auto”, the coverage under this policy, if applicable, shall be excess to all other insurance, whether that insurance is considered primary, secondary or excess. If there is other insurance with the same priority as this coverage, we will not pay more than our share of the covered damages or loss. Our share of the covered damages or loss is the proportion that our limit of coverage under **Uninsured and Underinsured Motorists Coverage** bears to the total of all applicable limits with the same priority as this coverage. Subject to the foregoing and our limit of liability, when we pay on an excess basis, we pay the amount by which our coverage exceeds either:
  1. The primary coverage; or
  2. The amount actually made available under the primary coverage for “bodily injury” to the “insured”, after payment to other persons injured in the same accident.
- B. When the “insured” sustains “bodily injury” as a pedestrian, and other similar uninsured or underinsured motorists coverage issued by us or any other insurer applies, then that “insured” may select any one applicable policy limit subject to the following:
  1. The total limits under all such coverages shall not exceed that of the one coverage with the highest limit of liability; and
  2. We are liable only for our share. Our share is that proportion of the damages that our limit of coverage under **Uninsured and Underinsured Motorists Coverage** bears to the total of all applicable uninsured or underinsured motorists coverage with the same priority that applies to the accident.
- C. Notwithstanding paragraph A. above in this **Other Insurance** section, the total recovery under all such policies or coverages cannot be greater than the single highest limit that applies for any one vehicle under one policy of insurance providing coverage on either a primary, secondary or excess basis.

In issuing this policy of insurance we have relied upon your representation that you will purchase and maintain other insurance providing this coverage on a primary basis with respect to you, "family members" and any other person related to you who resides with you. However, this insurance shall be primary to such other insurance for any "insured" while "occupying" or using "your covered auto".

### **ARBITRATION**

Arbitration is not available to resolve any disputes as to coverage or policy interpretation issues.

Arbitration may be used, if mutually agreed to by both parties, if we and an "insured" do not agree as to:

- A. Whether or not that "insured" is legally entitled to recover damages; or
- B. The amount of damages that "insured" is legally entitled to recover;

from the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle". Any such arbitration is limited to resolving only either one or both of those issues (i.e. liability and damages).

The following terms govern the arbitration process unless we and the "insured" otherwise agree in writing:

- A. Each party will select an impartial and qualified arbitrator. Those two arbitrators will select a third impartial and qualified arbitrator. If the first two arbitrators cannot agree within 30 days, either may request that selection of the third arbitrator be made by a court with proper jurisdiction.
- B. Arbitration will take place in the county in which the "insured" resides at time of accident.
- C. Local rules of law as to procedure and evidence will apply. Disputes as to procedure and evidence shall be subject to the authority of the arbitrator.
- D. Costs will be paid by each party as follows:
  - 1. Each party will pay the expenses it incurs and the costs of its own arbitrator selected; and
  - 2. Each party will share the expenses of the third arbitrator equally.
- E. A decision agreed to by two of the arbitrators will be binding as to:
  - 1. Whether or not that "insured" is legally entitled to recover damages; and
  - 2. The amount of damages that "insured" is legally entitled to recover, but only if that amount is not greater than "minimum limits".

If the arbitrators' award is greater than "minimum 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 then be binding.

- F. The arbitrators shall have no authority to:
  - 1. Resolve any disputes as to coverage, or who is an "insured", the validity of any coverage election or rejection or selection, residency status of a claimant, qualification of a person as an "insured", rights or duties under the policy, or statutes of limitations, or other policy interpretation issues; or
  - 2. Award any amount greater than the limit of liability; or
  - 3. Award any amount as punitive or exemplary damages, costs, interest, attorney fees or other fees.

If there is no mutual agreement to arbitrate, all issues shall be resolved in a court of proper and competent jurisdiction. Any lawsuit by an "insured" against us for benefits under this coverage must be commenced within, and no later than, two (2) years after the date the cause of action accrues, subject to the statute of limitations to promptly file any lawsuit. Any lawsuit against us must be filed within the statute of limitations that applies to the bodily injury claim against the owner or driver of an "uninsured motor vehicle" or "underinsured motor vehicle".

All other policy provisions apply.