

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF POLICY PROVISIONS – SOUTH DAKOTA

I. Definitions

The following is added to the **Definitions** Section:
Throughout the policy, "minimum limits" refers to the following limits of liability, as required by South Dakota 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. \$25,000 for each accident with respect to "property damage".

II. Part A – Liability Coverage

Part **A** is amended as follows:

A. 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 for "bodily injury" to you to the extent that this coverage provides the minimum limits of liability required by the Financial Responsibility Law of the State of South Dakota.

B. The **Other Insurance** Provision is replaced by the following:

OTHER INSURANCE

If there is other applicable liability insurance:

1. 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.
2. Any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance. However, any insurance we provide for a vehicle you do not own will be primary insurance if the vehicle is insured under a policy affording coverage to a named insured engaged in the "business" of:
 - a. Selling;
 - b. Repairing;
 - c. Servicing;
 - d. Storing; or
 - e. Parking;motor vehicles. This applies only if an "insured":

a. Is operating the vehicle; and

b. Is neither the person engaged in such "business" nor that person's employee or agent.

III. Part B – Medical Payments Coverage

Part **B** is amended as follows:

A. The **Insuring Agreement** in Part **B** is replaced by the following:

INSURING AGREEMENT

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

1. Caused by 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.

"Insured" as used in this Part means:

1. You, any "family member" or any other resident of your household:
 - a. While "occupying"; or
 - b. As a pedestrian when colliding with or 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".

B. The **Other Insurance** Provision is replaced by the following:

OTHER INSURANCE

If there is other applicable auto medical payments insurance:

1. 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.
2. Any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance. However, any insurance we provide for a vehicle you do not own will be primary insurance if the vehicle is insured under a policy affording coverage to a named insured engaged in the "business" of:
 - a. Selling;

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

motor vehicles. This applies only if an "insured":

- a. Is operating the vehicle; and
- b. Is neither the person engaged in such "business" nor that person's employee or agent.

IV. Part C – Uninsured Motorists Coverage

Part C is amended as follows:

- A. The last sentence of Paragraph A. of the **Insuring Agreement** is replaced by the following:

No judgment for damages arising out of a suit brought against, or settlement entered into with, the owner or operator of an "uninsured motor vehicle" is binding on us unless we:

- 1. Received reasonable notice of the pendency of the suit resulting in judgment or the negotiations resulting in settlement; and
- 2. Had a reasonable opportunity to protect our interests in the suit or settlement.

- B. Section 3. of the definition of "uninsured motor vehicle" is replaced by the following:

"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 which causes an accident resulting in "bodily injury" without hitting:
 - 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. We will only accept competent evidence other than the testimony of a person making claim under this or any similar coverage.

- C. Exclusion A. is replaced by the following:

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

- 1. By you while "occupying", or when struck by, any motor vehicle you own which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
- 2. By a "family member":
 - a. Who owns an auto, while "occupying", or when struck by, any

motor vehicle owned by you or any "family member" which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.

- b. Who does not own an auto, while "occupying", or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.

- D. Exclusion B.1. does not apply.

- E. The **Other Insurance** Provision is replaced by the following:

OTHER INSURANCE

If there is other applicable similar insurance:

- 1. 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.

- 2. Any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance. However, any insurance we provide for a vehicle you do not own will be primary insurance if the vehicle is insured under a policy affording coverage to a named insured engaged in the "business" of:

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

motor vehicles. This applies only if an "insured":

- a. Is operating the vehicle; and
- b. Is neither the person engaged in such "business" nor that person's employee or agent.

- F. Paragraph C. of the **Arbitration** Provision is replaced by the following:

Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. Any decision of the arbitrators will not be binding.

V. Part D – Coverage For Damage To Your Auto

Part D is amended as follows:

- A. Paragraph C. of the **Limit Of Liability** Provision is replaced by the following:

We may deduct for betterment from the amount we pay for the loss only if the repair or replacement results in an increase in the fair market value of the vehicle.

Betterment as used in this provision means the difference between:

1. The fair market value of the vehicle before the loss; and
2. The fair market value of the vehicle after repair or replacement.

- B. The Other Sources Of Recovery Provision** is replaced by the following:

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the loss:

1. 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.
2. Any insurance we provide with respect to a "non-owned auto" shall be excess over any other collectible source of recovery including, but not limited to:
 - a. Any coverage provided by the owner of the "non-owned auto";
 - b. Any other applicable physical damage insurance;
 - c. Any other source of recovery applicable to the loss.

However, any insurance we provide for a "non-owned auto" will be primary insurance if the vehicle is insured under a policy affording coverage to a named insured engaged in the "business" of:

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

motor vehicles. This applies only if an "insured":

- a. Is operating the vehicle; and
- b. Is neither the person engaged in such "business" nor that person's employee or agent.

- C. The Appraisal Provision** is replaced by the following:

APPRAISAL

If we and you do not agree on the amount of loss, then an appraisal of the loss may be made. However, both parties must agree to the appraisal. If so agreed, 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. A decision agreed to by any two will not be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the expenses of the appraisal and umpire equally.

We do not waive any of our rights under this policy by agreeing to an appraisal.

VI. Part F – General Provisions

Part F is amended as follows:

- A. The Our Right To Recover Payment Provision** is amended as follows:

OUR RIGHT TO RECOVER PAYMENT

1. Paragraph **A.** of this provision does not apply to Part **C.**
2. Paragraph **B.** of this provision does not apply to Underinsured Motorists Coverage if afforded under this policy.

- B. The Termination Provision** is replaced by the following:

TERMINATION

Cancellation

This policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:
 - a. Returning this policy to us; or
 - b. Giving us advance written notice of the date cancellation is to take effect.
2. We may cancel by mailing to the named insured shown in the Declarations at the address shown in this policy at least 20 days notice in all cases.
3. When this policy is in effect for 60 days or more, or if this is a renewal or continuation policy, we will cancel only:
 - a. For nonpayment of premium; or
 - b. If your driver's license or that of:
 - (1) Any driver who lives with you; or
 - (2) Any driver who customarily uses "your covered auto";has been suspended or revoked. This must have occurred:
 - (1) During the policy period; or
 - (2) Since the last anniversary of the original effective date if the policy period is other than one year.

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 60 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Less than 6 months, we will have the right not to renew or continue this policy every 6 months, beginning 6 months after its original effective date.
2. 6 months or longer, but less than one year, we will have the right not to renew or continue this policy at the end of the policy period.
3. 1 year or longer, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

Automatic Termination

If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If you obtain other insurance on "your covered auto" any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance.

Other Termination Provisions

1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. 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.

VII. Underinsured Motorists Coverage Endorsement

If the Underinsured Motorists Coverage Endorsement is attached to this policy, the provisions of the Underinsured Motorists Coverage Endorsement apply except as follows:

- A.** The first paragraph of the definition of "underinsured motor vehicle" is replaced by the following:

"Underinsured motor vehicle" means a land motor vehicle or trailer of any type to which a bodily injury liability bond or policy applies at the time of the accident but the amount paid for "bodily injury" under that bond or policy to an "insured" is not enough to pay the full amount the "insured" is legally entitled to recover as damages.

- B.** Exclusion **A.** is replaced by the following:

We do not provide Underinsured Motorists Coverage for "bodily injury" sustained:

1. By you while "occupying", or when struck by, any motor vehicle you own which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
2. By a "family member":
 - a. Who owns an auto, while "occupying", or when struck by, any motor vehicle owned by you or any "family member" which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
 - b. Who does not own an auto, while "occupying", or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.

- C.** The **Other Insurance** Provision is replaced by the following:

OTHER INSURANCE

If there is other applicable similar insurance:

1. 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.
2. Any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance. However, any insurance we provide for a vehicle you do not own will be primary insurance if the vehicle is insured under a policy affording coverage to a named insured engaged in the "business" of:
 - a. Selling;
 - b. Repairing;
 - c. Servicing;
 - d. Storing; or
 - e. Parking;

motor vehicles. This applies only if an "insured":

- a. Is operating the vehicle; and
- b. Is neither the person engaged in such "business" nor that person's employee or agent.

- D.** Paragraph **C.** of the **Arbitration** Provision is replaced by the following:

- C.** Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. Any decision of the arbitrators will not be binding.

VIII. Miscellaneous Endorsements – Physical Damage Coverage

With respect to any endorsement attached to the policy which amends Part **D** of the policy, the last paragraph of the **Limit Of Liability** Provision for Part **D** is replaced by the following:

We may deduct for betterment from the amount we pay for the loss only if the repair or replacement results in an increase in the fair market value of the vehicle.

Betterment as used in this provision means the difference between:

- a.** The fair market value of the vehicle before the loss; and
- b.** The fair market value of the vehicle after repair or replacement.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.