

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF POLICY PROVISIONS – ALASKA

If the Declarations indicate that this policy provides only Part **D** – Coverage For Damage To Your Auto, the following statement applies:

THIS POLICY PROVIDES INSURANCE ONLY AGAINST DAMAGE TO THE MOTOR VEHICLE. THIS POLICY DOES NOT INSURE AGAINST BODILY INJURY, DEATH, OR PROPERTY DAMAGE LIABILITY AND DOES NOT SATISFY THE MANDATORY MOTOR VEHICLE LIABILITY INSURANCE REQUIREMENTS OF AS 28.22.011.

I. Definitions

The following are added to the **Definitions** Section:

A. Throughout the policy, "minimum limits" refers to the following limits of liability as required by Alaska law, to be provided under a policy of automobile liability insurance:

1. \$50,000 per person, subject to \$100,000 for each accident, with respect to "bodily injury"; and
2. \$25,000 for each accident with respect to "property damage".

B. "Rental vehicle" means a:

1. Private passenger auto;
2. Pickup or van; or
3. Trailer;

rented by you or any "family member" from any person or organization licensed under applicable state laws to engage in the "business" of renting vehicles to the public while in the custody of or being operated by you or any "family member". However, a "rental vehicle" does not include any vehicle rented for the regular use of you or any "family member".

II. Part A – Liability Coverage

The **Other Insurance** Provision of Part **A** is replaced by the following:

OTHER INSURANCE

1. If there is other applicable liability insurance 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", which is not a "rental vehicle" shall be excess over any other collectible insurance.
3. Any insurance we provide for a "rental vehicle" will be primary insurance, except such insurance will be excess over any coverage an "insured" purchases from the owner of the "rental vehicle".

III. Part D – Coverage For Damage To Your Auto

Part **D** is amended as follows:

A. The following is added to the **Limit Of Liability** Provision:

D. No payment will be made under this coverage for loss paid under Property Damage Uninsured/Underinsured Motorists Coverage of this policy or any similar insurance under any other policy.

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" except a "rental vehicle";
 - b. Any other applicable physical damage insurance;
 - c. Any other source of recovery applicable to the loss.

However, any insurance we provide for a "rental vehicle" will be primary insurance, except any such insurance will be excess over any coverage an "insured" purchases from the owner of the "rental vehicle".

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

APPRAISAL

- A. If you and we fail to agree on the amount of loss, either may make written demand upon the other for an appraisal of the loss. In this event, within 10 days of the demand, each party will choose a competent appraiser and will notify the other of the appraiser selected. The two appraisers will promptly choose a competent and impartial umpire. Not later than 15 days after the umpire has been chosen, unless this time period is extended by the umpire, each appraiser will separately state, in writing, the actual cash value and the amount of loss. If the appraisers submit a written report of an agreement on the actual cash value and the amount of loss to us, that agreement will be binding on you and us. If the appraisers fail to agree, they will promptly submit their differences to the umpire. A decision agreed to by one of the appraisers and the umpire will be binding on you and us.

Each party will:

1. Pay its own counsel or adjuster fees; and
2. Bear those other expenses and fees which are incurred as a result of the appraisal as determined by the umpire.

- B. Neither party waives any rights under this policy by agreeing to an appraisal.

IV. Part E – Duties After An Accident Or Loss

Part E is amended as follows:

The following is added to Paragraph **B.3.b.** of Part E:

Such person has the right to have counsel present during any examination taken under oath.

V. Part F – General Provisions

The **Termination** Provision of Part F is replaced by the following:

TERMINATION

A. 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 last known by us:

- a. At least 20 days notice:

- (1) If cancellation is for nonpayment of premium; or
- (2) If cancellation is for the reasons as listed in Paragraph **3.b.** below.

- b. At least 30 days notice in all other cases.

If you are 70 years of age or older and have made a written request to us, we will also mail notice to your designee.

3. After this policy is in effect for 60 days, 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.

However, this Paragraph **(b.)** shall not apply to revocation of a driver's license of a person due to a non-driving related violation for consuming or possessing alcohol while under the age of 21.

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. Notice will be mailed at least 20 days before the end of the policy period. Subject to this notice requirement, if the policy period is other than one year, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

C. 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.

D. Other Termination Provisions

1. 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. If we cancel, we will refund you the pro rata unearned premium. If you cancel, we will refund you the pro rata unearned premium minus a cancellation fee of 7.5% of the pro rata unearned premium.

However, we will not retain the cancellation fee if:

- a. You cancel this policy because:
 - (1) You have disposed of "your covered auto", and you insure another auto with us under a new policy, to become effective within 30 days of the effective date of cancellation of this policy; or
 - (2) "Your covered auto" has been repossessed under the terms of a financing agreement; or

(3) You are entering the armed forces of the United States of America; or

(4) "Your covered auto" was stolen or destroyed, and you request cancellation:

(a) Within 30 days following the date "your covered auto" was stolen or destroyed; or

(b) Within 15 days of the time we determine "your covered auto" was destroyed, or if stolen, to be unrecoverable.

b. You cancel this policy but there remains in force with us a policy in your name insuring another auto.

c. This policy is written for a term of greater than one year and you cancel the policy after it has been in effect for one year.

3. The effective date of cancellation stated in the notice shall become the end of the policy period.

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