

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY.

## STATE CONFORMANCE ENDORSEMENT - PENNSYLVANIA

Throughout the policy and endorsements attached to it, reference to minimum limits means the following limits of liability as required by Pennsylvania law, to be provided under a policy of automobile liability insurance:

1. \$15,000 for each person, subject to \$30,000 for each accident, with respect to "bodily injury"; and
2. \$5,000 for each accident with respect to "property damage".

### I. DEFINITIONS

The following are added:

1. "Noneconomic loss" means pain and suffering and other nonmonetary detriment.
2. "Serious injury" means an injury resulting in death, serious impairment of body function or permanent serious disfigurement.

### II. PART A – LIABILITY COVERAGE

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

#### INSURING AGREEMENT

We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident. 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 by payment of judgments or settlements. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.

- B. The following is added to the **Supplementary Payments** Provision:

#### SUPPLEMENTARY PAYMENTS

We will pay on behalf of an "insured":

Prejudgment interest awarded against the "insured" on the part of the judgment we pay. Any prejudgment interest awarded against the "insured" is subject to the applicable Pennsylvania Rules of Civil Procedure.

### III. PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

The following is added to **EXCLUSIONS, A.10.**:

This Exclusion does not apply to victims of abuse.

### IV. PART E – DUTIES AFTER AN ACCIDENT OR LOSS

Part E is replaced by the following:

#### PART E - DUTIES AFTER AN ACCIDENT OR LOSS

If an accident or loss occurs, the following must be done for the terms of the policy to apply:

- A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- B. A person seeking any coverage must:
  1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
  2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.

3. Submit, as often as we reasonably require:
  - a. To physical exams by physicians we select. We will pay for these exams.
  - b. To examination under oath and subscribe the same.
4. Authorize us to obtain:
  - a. Medical reports; and
  - b. Other pertinent records.
5. Submit a proof of loss when required by us.
- C. A person seeking Uninsured Motorists Coverage must also:
  1. Promptly notify the police if a hit-and-run driver is involved.
  2. Promptly send us copies of the legal papers if a suit is brought.
- D. A person seeking Coverage For Damage To Your Auto must also:
  1. Take reasonable steps after loss to protect "your covered auto" and its equipment from further loss. We will pay reasonable expenses incurred to do this.
  2. Promptly notify the police if "your covered auto" is stolen.
  3. Permit us to inspect and appraise the damaged property before its repair or disposal

## V. PART F – GENERAL PROVISIONS

- A. The **Concealment or Fraud** Provision is deleted and replaced by the following:

### CONCEALMENT OR FRAUD

If you intentionally conceal or misrepresent any material fact relating to this insurance before or after a loss:

1. within the first 59 days the policy has been in effect, the policy will be rescinded;
2. after the policy has been in effect 60 days or more, the coverages relating to the misrepresentation will be voided for the insured who committed the fraudulent act or made the material misrepresentation, if the act or misrepresentation could not have reasonably been discovered by us within the first 59 days the policy was in force and the undisclosed information would have prompted us to decline the risk.

- B. 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.

- C. Paragraph B. of the **Our Right To Recover Payment** Provision is replaced by the following:

If we make a payment under this policy, and the person to or for whom payment is made recovers damages from another, that person shall:

1. Hold in trust for us the proceeds of the recovery; and
2. Reimburse us to the extent of our payment less reasonable attorneys' fees, costs and expenses incurred by that person in collecting our share of the recovery.

- D. The **Termination** Provision is amended as follows:

- 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 shown in this policy:

(1) At least 15 days notice of cancellation:

- (a) If notice is effective within the first 60 days this policy is in effect and this is not a renewal or continuation policy;
- (b) For nonpayment of premium;
- (c) If the driver's license of the named insured shown in the Declarations has been suspended or revoked after the effective date if this policy has been in effect less than one year; or if the policy has been in effect longer than one year, since the last anniversary of the original effective date; or

(2) At least 60 days notice if the policy was obtained through material misrepresentation.

Our right to cancel this policy is subject to the limitations contained in the applicable Pennsylvania Statutes.

A. Cancellation, 3. is deleted.

B. Nonrenewal is deleted and replaced by the following:

B. Nonrenewal. If we decide not to renew or continue this policy, we will mail to the named insured shown in the Declarations at the address shown in this policy:

a. At least 15 days notice before the end of the policy period:

- (1) For nonpayment of premium; or
- (2) If the driver's license of the named insured shown in the Declarations has been suspended or revoked after the effective date if this policy has been in effect less than one year; or if the policy has been in effect longer than one year, since the last anniversary of the original effective date.

b. At least 60 days notice before the end of the policy period in all other cases.

However, our right to nonrenew this policy is subject to the limitations contained in the applicable Pennsylvania Statutes.

C. Automatic Termination deletes the last paragraph (beginning "If you obtain other insurance...").

E. The following provision is added:

#### **CONSTITUTIONALITY CLAUSE**

The premium for, and the coverages of, this policy have been established in reliance upon the provisions of the Pennsylvania Motor Vehicle Financial Responsibility Law. In the event a court, from which there is no appeal, declares or enters a judgment the effect of which is to render the provisions of such statute invalid or unenforceable in whole or in part, we will have the right to recompute the premium payable for the policy and void or amend the provisions of the policy, subject to the approval of the Insurance Commissioner.

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