

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

STATE ENDORSEMENT – MONTANA

The following amendments change the policy. Please read your entire policy for full details about your coverages.

The following Notice Section is added:

NOTICE SECTION OF IMPORTANT PROVISIONS:

PLEASE READ YOUR POLICY & ALL ENDORSEMENTS. Your policy forms, all Amendatory Endorsements, and your Declarations or Schedule, form the contract for this insurance. The policy and endorsement forms include important terms for you to read including, but not limited to, definitions, policy requirements, conditions, exclusions, limitations, and duties for coverage to apply. You agree that when you purchase(d) this policy, you will be bound by all of the policy terms, including the policy requirements, conditions, definitions, exclusions and limitations set forth under each coverage and throughout the policy that may prevent coverage or limit for accidents and losses when those policy terms apply.

If the Declarations indicate that this policy provides **PART B – MEDICAL PAYMENTS COVERAGE**, the following statement applies:

THIS POLICY PROVIDES MEDICAL PAYMENTS COVERAGE ONLY FOR CERTAIN MEDICAL EXPENSES.

SOME MEDICAL EXPENSES MAY EXCEED THE COVERAGE LIMITATIONS DESCRIBED IN THIS POLICY. IF SO, THEY MAY NOT BE COVERED BY THIS POLICY.

Throughout the policy and endorsements attached to it, reference to minimum limits means the following limits of liability as required by Montana 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. \$20,000 for each accident with respect to “property damage”.

PART A – LIABILITY COVERAGE

Under **Exclusions**, the following is added:

We do not provide Liability Coverage for any “insured” for “bodily injury” to you or any “family member” to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the financial responsibility law of Montana.

PART B – MEDICAL PAYMENTS COVERAGE

Under the **Insuring Agreement**, Paragraph A. is replaced by the following:

- A. We will pay reasonable expenses incurred for medical and funeral services because of “bodily injury”:
1. Caused by an accident; and
 2. Sustained by an “insured”.

We will pay only those expenses incurred for services rendered within three years from the date of the accident.

“Reasonable” as used in this Paragraph A. means those expenses which are consistent with the treatment and expense standards for “bodily injury” in the insured’s geographic location.

Under the **Limit of Liability** provision, Paragraph A. is replaced by the following:

- A. The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:
1. “Insureds”;
 2. Claims made;

3. Vehicles shown in the Declarations; or
4. Vehicles involved in the accident.

PART C – UNINSURED MOTORISTS COVERAGE

Under the **Insuring Agreement**, Paragraph 3. of the “uninsured motor vehicle” definition 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 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.

Under the **Exclusions** provision, Paragraphs A. and B.1. are deleted in their entirety and do not apply.

Under the **Limit of Liability** provision, Paragraph A. is deleted and replaced by the following:

- A. The limit of liability shown in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of “bodily injury” sustained by any one person in any one accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for “bodily injury” resulting from any one accident.

This is the most we will pay regardless of the number of:

1. “Insureds”;
2. Claims made;
3. Vehicles shown in the Declarations; or
4. Vehicles involved in the accident.

The **Other Insurance** provision is replaced by the following:

OTHER INSURANCE

If there is other applicable insurance similar to the insurance provided under this **PART C** of the policy, 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. However, any insurance we provide with respect to a vehicle:

- A. You do not own, including any vehicle while used as a temporary substitute for “your covered auto”; or
 - B. Owned by you or any “family member” which is not insured for this coverage under this policy;
- shall be excess over any other collectible insurance similar to the insurance provided under this **PART C** of the policy.

The **Arbitration** provision is deleted in its entirety and does not apply.

PART F – GENERAL PROVISIONS

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

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.

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The **Payment of Loss** provision is replaced by the following:

PAYMENT OF LOSS

Payment of loss, with all your indebtedness to us being first deducted, will be made within 30 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".

"Constructive total loss" means a loss where the cost to repair damage to "your covered auto" will exceed the agreed value of the vehicle when fully repaired.

Under the **Termination** provision, the following changes are made:

Cancellation, 2. is 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:
 - a. At least 10 days' notice if cancellation is for nonpayment of premium; or
 - b. At least 45 days' notice in all other cases.

Cancellation, 3.c. is deleted in its entirety and does not apply.

Cancellation, 3. is amended by adding the following:

For any other reason permitted by state law.

Nonrenewal is replaced by the following:

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 the policy and to such named insured's authorized agent. 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 it only at each anniversary of its original effective date.

The following is added:

Renewal With Altered Terms

If we offer or purport to renew a policy on less favorable terms, at a higher rate or at a higher rating plan, the new terms, rate or rating plan will take effect on the policy renewal date only if we have mailed or delivered notice of the new terms, rate or rating plan to you at least 45 days before the expiration date.

The above 45 days' notice does not apply if the increase in the rate or rating plan, or both, results from a classification changed based on the altered nature or extent of the risk insured.

Under the **Two or More Auto Policies** provision, the following is added:

- A. This provision does not apply to Uninsured Motorists Coverage or Underinsured Motorists Coverage.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under Uninsured Motorists Coverage or Underinsured Motorists Coverage.

The **State Law** provision is replaced by the following:

CONFORMITY WITH MONTANA STATUTES

The provisions of this policy conform to the minimum requirements of Montana law and control over any conflicting statutes of any state in which an "insured" resides on or after the effective date of this

policy.

However, if an auto accident to which this policy applies occurs in any state or province other than the one in which "your covered auto" is principally garaged and the state or province has:

- A. A financial responsibility or similar law specifying limits of liability for "bodily injury" or "property damage" higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
- B. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

No one will be entitled to duplicate payments for the same elements of loss.

Any provision of this policy, including endorsements which modify the policy, that does not conform to the minimum requirements of a Montana statute is amended to conform to that statute.

The **Amendatory Endorsements** provision is deleted in its entirety and does not apply.

UNDERINSURED MOTORISTS COVERAGE ENDORSEMENT

If the Underinsured Motorists Coverage Endorsement is attached to this policy, the provisions of the Underinsured Motorists Coverage Endorsement are amended 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 **Limit of Liability** provision is deleted and replaced by the following:

LIMIT OF LIABILITY

The limit of liability shown in the Declarations or Schedule for each person for Underinsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of liability shown in the Declarations or Schedule for each accident for Underinsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.

This is the most we will pay regardless of the number of:

- 1. "Insureds";
- 2. Claims made;
- 3. Vehicles shown in the Declarations or Schedule; or
- 4. Vehicles involved in the accident.

No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and **PART A**, **PART B** or **PART C** of this policy.

We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.

We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:

1. Workers' compensation law; or
2. Disability benefits law.

D. The **Other Insurance** provision is deleted and replaced by the following:

OTHER INSURANCE

If there is other applicable insurance similar to the insurance provided by this endorsement, 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. However, any insurance we provide with respect to 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 similar to the insurance provided by this endorsement.

E. The **Arbitration** provision is deleted in its entirety and does not apply.

All other policy provisions apply.