

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

STATE ENDORSEMENT – TEXAS

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

1. \$30,000 for each person, subject to \$60,000 for each accident, with respect to “bodily injury”; and
2. \$25,000 for each accident with respect to “property damage”.

DEFINITIONS

Under **Definitions**, the following changes are made:

A. is replaced by the following:

Throughout this policy, “you” and “your” refer to:

1. The “named insured” shown in the Declarations or Schedule; and
2. Your spouse if a resident of the same household.

If your spouse ceases to be a resident of the same household during the policy period, the spouse will be considered “you” and “your” under this policy during a period of separation in contemplation of divorce and only until the effective date of another policy listing the spouse as a named insured.

The following definitions are added:

“Business day” means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

“Personal vehicle sharing” means the use of private passenger motor vehicles by persons or parties other than the vehicle’s owner, in connection with a personal vehicle sharing program.

“Personal vehicle sharing program” means a corporation, partnership, sole proprietorship, or other entity operating in this state engaged in the business of facilitating the sharing of private passenger vehicles for noncommercial use by individuals.

“Prearranged ride” means transportation provided by a “transportation network company” driver to a “transportation network company” rider, beginning at the time a driver accepts a ride requested by a rider through a digital network controlled by a “transportation network company” and ending at the time the last requesting rider departs from the driver’s personal vehicle. The term does not include:

1. A shared expense carpool or vanpool arrangement or service; or
2. Transportation provided using a taxicab, limousine, or similar for-hire vehicle.

“Resident relative” means an individual who:

1. Resides in the same household as the insured; and
2. Is related to the insured within the third degree of consanguinity or affinity as described by Texas Government Code, Chapter 573.

“Temporary vehicle” means a vehicle that is

1. A private passenger automobile; or
2. A pickup, utility vehicle, or van with a gross vehicle weight of 14,000 pounds or less that is not used for the delivery or transportation of goods, materials, or supplies, other than samples, unless:
 - a. The delivery of the goods, materials, or supplies is not the primary use for which the vehicle is employed; or
 - b. The vehicle is used for farming or ranching;

And includes a vehicle that is loaned or provided to an insured by an automobile repair facility for the insured’s use while the insured’s vehicle is at the facility for service, repair, maintenance, or damage or to obtain an estimate and is:

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1. In the lawful possession of the insured or "resident relative" of the insured;
2. Not owned by the insured, any "resident relative" of the insured, or any other person residing in the insured's household; and
3. Operated by or in the possession of the insured or "resident relative" of the insured until the vehicle is returned to the repair facility.

"Transportation network company" and "TNC" means a corporation, partnership, sole proprietorship, or other entity operating in this state that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle.

PART A – LIABILITY COVERAGE

Under the **Insuring Agreement** provision, the following changes are made:

Paragraph A. is replaced by:

- A. We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident involving "your covered auto" or a "temporary vehicle". Damages include prejudgment interest awarded against the "insured". 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. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.

Paragraph B. adds the following:

- B. "Insured" as used in this Part means:

4. You, any "resident relative" or licensed operator residing in the household for the use of a "temporary vehicle".

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

Exclusions 3., 5., 6., 7., 8. and 10. are replaced by the following:

We do not provide **Liability Coverage** for any "insured":

3. For "property damage" to property:
 - a. Rented to;
 - b. Used by; or
 - c. In the care of;
 that "insured".

This exclusion (3.) does not apply to "property damage" to:

- a. a residence or private garage; or
- b. Any "temporary vehicle".

However, this exclusion (3.) does apply to a loss due to or as a consequence of a seizure of an auto by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the Federal Controlled Substances Act if you are convicted in such a case.

5. For that "insured's" liability arising out of the ownership or operation of "your covered auto" while it is being used as a public or livery conveyance. This exclusion does not apply to shared expense car pools. This exclusion also does not apply while "your covered auto" is being used by you or any "family member" to carry property for a fee unless the primary usage of such vehicle is to carry property for a fee.
6. While employed or otherwise engaged in the "business" of:

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

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion does not apply to the ownership, maintenance or use of "your covered auto" by:

- a. You;
 - b. Any "family member"; or
 - c. Any partner, agent or employee of you or any "family member".
7. Maintaining or using "your covered auto" while that "insured" is employed or otherwise engaged in any "business" (other than farming or ranching) not described in Exclusion 6.

This exclusion does not apply to the maintenance or use of a:

- a. Private passenger auto;
 - b. Pickup or van that is "your covered auto"; or
 - c. Trailer used with a vehicle described in a. or b. above.
8. Using "your covered auto" without a reasonable belief that that "insured" is entitled to do so. This exclusion does not apply to you or any "family member" while using "your covered auto".
10. Arising out of the ownership, maintenance, or use of any vehicle other than "your covered auto" or "temporary vehicle".

The following exclusions are added:

We do not provide **Liability Coverage** for:

You or any "family member" for "bodily injury" to you or any "family member", except to the extent of the minimum limits of Liability Coverage required by Texas Chapter 601, Transportation Code, entitled "Texas Motor Vehicle Safety-Responsibility Act."

An "insured" for "bodily injury" or "property damage" that arises out of the "insured" operating or using "your covered auto" or OPERATING any other vehicle while logged onto a "transportation network company's" digital network as a driver; or is engaged in a "prearranged ride".

An "insured" for "bodily injury" or "property damage" that arises out of any person operating or using "your covered auto" or OPERATING any other vehicle for "personal vehicle sharing" in connection with a "personal vehicle sharing program".

PART B – MEDICAL PAYMENTS COVERAGE

The **Insuring Agreement** provision is replaced by the following:

INSURING AGREEMENT

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

We will pay only those expenses incurred for services rendered within 3 years from the date of the accident.

- B. "Insured" as used in this **PART B** means:

- 1. You or any "family member":

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- a. While “occupying” “your covered auto”; or
 - b. As a pedestrian 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”.

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

Exclusion 1. is revised to read as follows: Sustained while “occupying” “your covered auto” when it is being used as a public or livery conveyance. This exclusion does not apply to shared expense car pools. This exclusion also does not apply while “your covered auto” is being used by you or any “family member” to carry property for a fee unless the primary usage of such vehicle is to carry property for a fee.

Exclusion 4. is deleted.

Exclusions 5. and 6. are revised to read as follows:

- 5. Sustained while "occupying" "your covered auto" without a reasonable belief that that “insured” is entitled to do so. This exclusion does not apply to you or any “family member” while using “your covered auto”.
- 6. Sustained while "occupying" "your covered auto" when it is being used in the "business" of an "insured".

This exclusion does not apply to the maintenance or use of a:

- a. Private passenger auto;
- b. Pickup or van that is “your covered auto”; or
- c. Trailer used with a vehicle described in a. or b. above.

The following exclusions are added:

We do not provide **Medical Payments Coverage** for:

Any “insured” for “bodily injury” that arises out of the “insured” operating or using “your covered auto” or OPERATING any other vehicle while logged onto a “transportation network company’s” digital network as a driver; or is engaged in a “prearranged ride”.

Any “insured” for “bodily injury” that arises out of any person operating or using “your covered auto” or OPERATING any other vehicle for “personal vehicle sharing” in connection with a “personal vehicle sharing program”.

The following is added to the **Limit of Liability** provision:

No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Personal Injury Protection Coverage.

The following provision is added:

ASSIGNMENT OF PAYMENTS

- 1. An “insured” may assign, in writing, payments of medical expenses for services provided to the “insured” that are covered under **PART B** of this policy to a physician or other health care provider that furnished such services to the “insured”.
- 2. If we receive an “insured’s” written assignment of such payments, we will pay the medical expenses covered under **PART B** directly to the physician or other health care provider that furnished the services to the “insured”.

PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

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

The following language is added to Exclusion A.1.:

However, this does not include loss due to dampness, mildew, mold, or rot that ensues from a covered loss.

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The following language is added to Exclusion A.10.:

However, this exclusion does not apply to an insured who did not cooperate in or contribute to the creation of the loss if that insured has:

1. Filed a police report; and
2. Cooperated with law enforcement investigation or prosecution relating to any other insured causing the intentional loss.

The following exclusions are added:

We will not pay for:

A total loss to "your covered auto" due to confiscation by government or civil authorities. This Exclusion does not apply to the interests of Loss Payees in "your covered auto". However, if you are convicted in a case brought against you under the Texas Controlled Substances Act or the federal Controlled Substances Act, we will not pay for any loss to "your covered auto" that is seized by federal or state law enforcement officers as evidence in such case.

Loss or damage:

- a. That arises out of any person operating or using "your covered auto" or OPERATING any other vehicle while logged onto a "transportation network company's" digital network as a driver; or is engaged in a "prearranged ride".
- b. That arises out of any person operating or using "your covered auto" or OPERATING any other vehicle for "personal vehicle sharing" in connection with a "personal vehicle sharing program".

Paragraph B. of the **Limit of Liability** provision is revised to read:

- B. For all other loss or damage to "your covered auto", we will pay the amount necessary to repair or replace the property, whichever is less, with similar kind and quality, but we will not pay more than the agreed limit per vehicle shown under **PART D** in the Declarations or Schedule.

The following is added to the **Limit of Liability** provision:

No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and "property damage" covered under **PART C** of this policy.

For any loss or damages to which:

1. Uninsured Motorists Coverage of this policy or similar coverage from another policy; and
2. This coverage:

both apply, you may choose the coverage from which damages will be paid. If neither coverage is sufficient to pay the damages or loss, you may recover under both coverages subject to the following:

1. You will pay the higher deductible. However, you do not have to pay both deductibles;
2. You may not recover more than the actual damages or loss; and
3. You will designate one coverage as the primary coverage and exhaust that primary coverage before any recovery can be made under the coverage you designate as secondary.

The **Payment of Loss** provision is deleted.

PART E – DUTIES AFTER AN ACCIDENT OR LOSS

- A. The lead-in paragraph to **PART E** is replaced by the following:

We have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us:

- B. B.3. and B.4. are replaced by the following:

3. Submit, as often as we reasonably require:

- a. To physical exams by physicians we select. We will pay for these exams.

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- b. To examination under oath and subscribe the same. For an Examination Under Oath (EUO) of a minor child, a parent or guardian may also be present.
- 4. Authorize us to obtain medical reports and other pertinent records related to the loss or injury.
- C. The following duties are added:

A person seeking any coverage must cooperate with us by complying with the following additional duties as a condition of coverage:

 - 1. Do not admit fault or assume any obligation to other persons.
 - 2. Do nothing that would prejudice our rights or interests or our ability to provide a defense.
 - 3. As often as we reasonably request, attend and answer to an EUO conducted by us or our representative, at a reasonable place chosen by us. We may require:
 - a. Examinations to be video and/or audio recorded.
 - b. Examinations to be done individually and outside the presence of witnesses or other persons or parties making claims. Legal counsel may be present. For an EUO of a minor child, a parent or guardian may also be present.
 - c. Your spouse, any "family member" and/or any person related to you who resides with you to submit to examination to help us to obtain relevant information, even if that person is not making a claim under this policy.

PART F – GENERAL PROVISIONS

The **Regular Use Vehicle Requirement** provision is replaced by the following.

REGULAR USE VEHICLE REQUIREMENT – PURCHASING & MAINTAINING OTHER INSURANCE COVERAGE FOR YOU AND YOUR REGULAR USE VEHICLE

- A. This policy provides the coverage(s) you have elected and paid for, but only for your ownership, maintenance and use of "your covered auto". In no event will this policy:
 - 1. Provide coverage for any vehicles other than "your covered auto"; or
 - 2. Be your primary personal vehicle insurance; or
 - 3. Provide insurance for any auto or other motor vehicle, other than "your covered auto", with respect to exposures or legal obligations arising out of the ownership, maintenance or use of that vehicle if it is owned by or regularly used by you, a "family member" or any other relative that resides with you.
- B. As a condition of the issuance of this policy, you have represented and agreed to the following:
 - 1. You must own a "regular use vehicle" listed on, and insured by, a separate insurance policy, and the separate insurance policy for that vehicle must:
 - a. Be in-force with at least the types and amounts of coverage elected by you for this policy.
 - b. Satisfy all minimum state insurance requirements, including but not limited to minimum requirements for liability coverage, uninsured motorist coverage and underinsured motorist coverage (as may be required by law), and personal injury protection ("PIP") coverage (in states where PIP is required).
 - c. Remain in-force as described in 1.a. directly above during all policy periods, including renewal and reinstatement policy periods, and be maintained, without reduction of coverage or limits of liability (except for reduction of the aggregate limits therein in connection with an accident or loss solely by amounts paid in settlement of claims or in satisfaction of awards or judgments), with respect to your "regular use vehicle" and any other vehicle not listed on this policy but that is owned by and/or furnished or available for the regular use of, you, a "family member" or a relative who resides with you.
 - d. Be primary for, and satisfy, all minimum state insurance requirements related to vehicle ownership or use, except with respect to the use of "your covered auto" for which this policy applies.

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2. If you fail to maintain a "regular use vehicle" insured by a separate insurance policy that satisfies the minimum state insurance requirements, the insurance afforded by this policy shall apply in the same manner as if such policy had been maintained in force by you with underlying coverage on a primary basis. If we are required by law to provide any coverage with respect to the use of a "regular use vehicle" and/or any other vehicle, including any vehicle not listed on this policy but owned by and/or furnished or available for the regular use of, you, a "family member" or a relative who resides with you:
 - a. Coverage under this policy shall be excess to any and all other insurance, contingent insurance, self-insurance, liability bonds, certification of financial responsibility, and/or any other source of protection or recovery;
 - b. The amount we may be required to pay is limited to the minimum types and limits of such coverage required by law; and
 - c. You agree that if we are compelled by law to provide any coverage under this insurance policy with respect to the use of any vehicle other than "your covered auto", all coverage and limits of liability other than the minimum types and limits required by law are rejected with respect to the use of that vehicle.
3. To the extent allowed by law, we have the right to non-renew this policy if at any time during the policy period you do not have a separate insurance policy in effect with at least all of the coverages provided by this policy, and all of the types of coverage required by law, and with at least equal or higher limits of liability as this policy.

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

CONCEALMENT OR MISREPRESENTATION

No coverage is provided under this policy if, whether before or after a loss, an insured has:

1. Concealed or misrepresented any fact upon which we rely, and that concealment or misrepresentation is material; or
2. Concealed or misrepresented any fact and the fact misrepresented contributes to the loss.

This section only applies as specified in Texas Insurance Code §705.003(b) and §705.004(b).

The **Legal Action Against Us** provision, paragraph C. is revised to read as follows:

- C. Under **PART D**, suit or action must start within two years and one day from the date the cause of action first accrues, but this time period will be extended by the number of days between the date you file your proof of loss with us and the date we deny all or part of your claim.

The **Payment of Loss** provision is deleted.

The **Termination** provision 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 notice to the named insured shown in the Declarations at the address shown in this policy or otherwise last known to us at least 10 days before the effective date of cancellation.
3. We will not cancel this policy solely because you are an elected official.
4. When this policy has been in effect for 60 days or more, or if this is a renewal or continuation policy, we will cancel only for one or more of the following reasons:
 - a. For nonpayment of premium;

- b. Submission of a fraudulent claim;
 - c. If your driver's license or motor vehicle registration 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 1 year.
 - (3) However, in the event you or a driver described in 4.c. above has had his or her driver's license suspended or revoked, before canceling this policy, we will offer to continue the policy with a provision excluding coverage when the person who has had his or her driver's license suspended or revoked is operating "your covered auto". If such offer is accepted by you, we will issue an endorsement to that effect; or
 - d. If the Texas Department of Insurance determines that continuation of the policy would result in a violation of the Texas Insurance Code or any other law governing the business of insurance in Texas.
- 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 shown in this policy. Notice will be mailed at least 30 days before the end of the policy period. We will have the right not to renew or continue it only at each 1 year anniversary of its original effective date.
- However, we will not refuse to renew or continue this policy solely because:
- 1. Of the age of you or any "family member"; or
 - 2. You are an elected official.
- 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. 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 canceled, you may be entitled to a premium refund. If so, we will send you the refund no later than the 15th business day after the effective date of the cancellation or termination of the policy. The premium refund, if any, will be computed pro rata, subject to the policy minimum premium. 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.

The **Other Insurance Policies** provision is deleted.

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

STATE LAW

If any policy exclusion, limitation, term, condition or other policy provision is determined to be invalid and unenforceable by a court with proper jurisdiction, then that exclusion, limitation, term, condition or other policy provision will:

- 1. Be changed to the extent necessary to conform to the law;
- 2. Not apply to the amount of the covered damages or loss that is less than or equal to the minimum amounts of coverage required by law; and

3. Be construed, to the extent permitted by law, to exclude any coverage that is not required by law to be provided, and exclude all amounts greater than the minimum amounts of coverage required by law.

The **Amendatory Endorsements** provision is deleted.

The following **Payment of First Party Claims** provision is added:

PAYMENT OF FIRST PARTY CLAIMS

- A. Within 15 days after we receive written notice of a claim, we will:
 1. Acknowledge receipt of the claim. If our acknowledgement of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgement.
 2. Begin any investigation of the claim.
 3. Specify the information that the person making the claim must provide in accordance with Paragraph B. of **PART E**.

We may request more information if, during the investigation of the claim, such additional information is necessary.
- B. After we receive all information we request, we will notify the person making the claim, in writing, whether the claim will be paid or has been denied, or whether more time is needed. We will notify the person making the claim:
 1. Within 15 “business days”; or
 2. Within 30 days if we have reason to believe the loss resulted from arson.
- C. If we deny the claim or require more time for processing the claim, we must:
 1. Give the reasons for denying the claim; or
 2. Give the reasons we require more time to process the claim. However, we must either approve or deny the claim within 45 days after the date we notify the person making the claim that more time is needed.
- D. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above in this provision (B.1.) are extended for an additional 15 days.
- E. We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to you or to the address shown in this policy. If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.
- F. If we notify the person making the claim that we will pay the claim, or part of the claim, we will pay the claim within 5 “business days” after we notify that person.
- G. Payment of loss, less any applicable deductible shown in the Declarations or Schedule, will be made within 5 “business days” after we either reach agreement with you, a final judgment is entered in the court, or an arbitration award is filed with us.
- H. If payment of the claim or part of the claim requires the performance of an act by the person making the claim, we will pay the claim within 5 “business days” after the date that person performs the act.
- I. In the case of a total loss or a “constructive total loss”, you may retain the salvage or surrender the salvage to us. You must advise us of your intent prior to our making payments under the terms of this policy.
- J. If you and we both agree, we will waive any applicable deductible shown in the Declarations or Schedule for a loss to glass if the glass is repaired rather than replaced.
- K. If we pay a total loss or a “constructive total loss” for any of “your covered auto(s)” shown in the Declarations or Schedule, 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.

The following **Notice of Settlement of Liability Claims** provision is added:

NOTICE OF SETTLEMENT OF LIABILITY CLAIMS

- A. We will notify the named insured, in writing, of any initial offer to compromise or settle a claim against an "insured" under **PART A – LIABILITY COVERAGE** of this policy. We will give the named insured notice within 10 days after the date the offer is made.
- B. We will notify the named insured, in writing, of any settlement of a claim against an "insured" under **PART A – LIABILITY COVERAGE** of this policy. We will give the named insured notice within 30 days after the date of the settlement.

The following **Excess Coverage** provision is added:

EXCESS COVERAGE

Coverage under this policy applies on a primary basis only with respect to "your covered auto", or any coverage provided under **PART A** for a "temporary vehicle" and shall be co-primary on a pro rata basis with any other insurance, self-insurance, bonds or certificate that applies on a primary basis.

If we are required by applicable law, or by a court with proper jurisdiction, to provide any insurance under this policy that would not otherwise be covered by the terms of this policy, the coverage provided under this policy shall be:

- 1. Excess to any and all other insurance, contingent insurance, self-insurance, liability bonds, certification of financial responsibility, and/or any other source of protection or recovery; and
- 2. Limited to the minimum types of coverage and the minimum limits required by that law.

PERSONAL INJURY PROTECTION

The following Exclusion is added to any **Personal Injury Protection Coverage**, and this exclusion will supersede any provision to the contrary found in this Policy or any Endorsement to this Policy.

We do not provide **Personal Injury Protection Coverage** for any "insured" for "bodily injury" that arises out of the "insured" operating or using "your covered auto" or OPERATING any other vehicle while logged onto a "transportation network company's" digital network as a driver; or is engaged in a "prearranged ride".

All other policy provisions apply.