

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

### **CHERISHED SALVAGE® COVERAGE - TEXAS**

For an additional premium, this coverage applies when a scheduled vehicle is designated with Cherished Salvage® Coverage in the Declarations or Schedule.

Under the STATE ENDORSEMENT – TEXAS form , the **Payment of First Party Claims** provision is replaced by the following:

#### **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, 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. For a total loss or "constructive total loss", the salvage belongs to you. However, if payment is made for a total loss due to theft, and "your covered auto" is later recovered in a condition that would not be considered a total loss or "constructive total loss", the right of salvage for that vehicle belongs to us.

J. If you and we both agree, we will waive any applicable deductible shown in the Declarations 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, 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.

"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.

All other policy provisions apply.