

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## STATE ENDORSEMENT – ARIZONA

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

Throughout the policy and endorsements attached to it, reference to minimum limits means the following limits of liability as required by Arizona 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. \$15,000 for each accident, with respect to “property damage”.

### GRACE PERIOD NOTICE:

Cancellation, item 2.a. and Offer To Renew include a grace period of at least 7 days for the payment of any premium due, during which grace period this policy shall continue in full force subject to the Termination provisions of **PART F – GENERAL PROVISIONS** of this policy.

### DEFINITIONS

Definition I. 2. is replaced by the following:

2. Any “newly acquired vehicle” on the date you became owner during the policy period, provided that it replaces one shown in the Declarations or Schedule and you ask us to insure it within thirty days after you become the owner. You must ask us to insure a replacement vehicle within thirty (30) days only if you wish to add or continue Coverage for Damage to Your Covered Auto. Under **PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO**, this automatic coverage for replacement vehicles will be:

- no greater than the highest appraisal for a vehicle already on the policy, or
- no greater than the replacement vehicle’s most recent appraisal, whichever is lower.

“Newly acquired auto” means any of the following types of vehicles you become the owner of during the policy period:

- a. A private passenger auto; or
- b. A pickup or van, for which no other insurance policy provides coverage, that:
  - (1) Has a Gross Vehicle Weight of less than 10,000 lbs.; and
  - (2) Is not used for the delivery or transportation of goods and materials unless such use is:
    - (a) Incidental to your “business” of installing, maintaining or repairing furnishings or equipment; or
    - (b) For farming or ranching.

### PART A – LIABILITY COVERAGE

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

Exclusion 5. is replaced by the following:

We do not provide Liability Coverage for any “insured”:

5. For that “insured’s” liability arising out of the ownership or operation of “your covered auto” while it is being used to carry persons or property for fee. This includes but is not limited to any period of time “your covered auto” is being used by any “insured” who is logged into a transportation network company’s online-enabled application or platform as a driver, whether or not a passenger is “occupying” “your covered auto”. This exclusion (5.) does not apply to:
  - a. A share-the-expense car pool; or
  - b. The ownership or operation of a vehicle while it is being used in the course of volunteer work for a tax-exempt organization as described in ARIZ. REV.STAT. ANN. Section 43-1201(4).

The following exclusion 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 Arizona Financial Responsibility Law.

## **PART B – MEDICAL PAYMENTS COVERAGE**

Under the **Exclusions** provision, Exclusion 1. is replaced by the following:

We do not provide Medical Payments Coverage for any “insured” for “bodily injury”:

1. Sustained while “occupying” “your covered auto” when it is being used to carry persons or property for a fee. This exclusion (1.) does not apply:
  - a. To a share-the-expense car pool; or
  - b. While “your covered auto” is being used in the course of volunteer work for a tax-exempt organization as described in ARIZ. REV. STAT. ANN. Section 43-1201(4).

The **LIMIT OF LIABILITY** provision is replaced by the following:

### **LIMIT OF LIABILITY**

- A. The limit of liability shown in the Declarations or Schedule 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 or premiums shown in the Declarations or Schedule; or
  4. Vehicles involved in the accident.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
  1. **PART A** or **PART C** of this policy; or
  2. Any Underinsured Motorists Coverage provided by this policy.

## **PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO**

Under the **Exclusions** provision, the following changes have been made:

Exclusion 10. is replaced by the following:

We will not pay for:

10. Loss or damage intentionally caused or directed by you or any “family member” or by any willful actions a reasonable person could foresee may cause a loss. However, this exclusion does not apply if the property loss is caused by an act of domestic violence by another insured and not the insured who is claiming loss. The insured who claims property loss must cooperate in any investigation and must not have contributed to the loss.

Exclusion 11. is deleted.

The **Limit of Liability** provision is replaced by the following:

### **LIMIT OF LIABILITY**

- A. We will pay the limit shown under **PART D** in the Declarations or Schedule for the applicable vehicle, which is agreed to be the Guaranteed Value® of “your covered auto”, inclusive of any applicable taxes and fees, in case of a total loss or “constructive total loss”.
- 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, provided you actually repair or replace the property, with similar kind and quality, without regard to depreciation or betterment, but we will not pay more than the Guaranteed Value® per vehicle shown under **PART D** in the Declarations or Schedule.

Under the **Vehicle Trailer** provision, the second paragraph is replaced by the following:

We will cover “your vehicle trailer” up to the amount specified in the Declarations or Schedule.

#### **PART E – DUTIES AFTER AN ACCIDENT OR LOSS**

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 Examination Under Oath (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.
  - 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.

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 not 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 **Private Pleasure Use** provision is deleted.

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

#### **CONCEALMENT OR 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.

Under the **Legal Action Against Us** provision, Paragraph C. is replaced by the following:

- C. Under **PART D**, suit or action must start within 24 months of the date of loss, 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.

Under the **Payment of Loss** provision, the second paragraph is 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 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”.

Under the **Our Right To Recover Payment** provision, the following changes are added:

With respect to **PART B – MEDICAL PAYMENTS COVERAGE**, if we make a payment under this coverage and the person to or for whom payment is made recovers damages from another we:

1. Shall be entitled to the proceeds of the recovery; and
2. May have a lien against such recovery;

to the extent of our payment in excess of \$5,000. Notice of the lien shall be given in writing to:

1. A court having jurisdiction;
2. The “insured”;
3. Each person, firm and corporation that the “insured” or the “insured's” legal representative alleges are liable for damages arising from the accident; and
4. That person's, firm's and corporation's insurer.

With respect to **PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO**, if we pay you for a loss that is caused by an act of domestic violence, and you are a victim of domestic violence, your right to recover damages from the domestic violence abuser is transferred to us to the extent of our loss payment. After such a loss, you may not waive the right to recover against the domestic violence abuser.

The **Termination** provision is replaced by the following:

## **TERMINATION**

### **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 of cancellation to the named insured at the address shown in the policy. Notice shall be mailed:
  - a. At least 8 days after the premium due date if cancellation is for nonpayment of premium. Cancellation is to take effect as of the date of the mailing of the notice.
  - b. At least 10 days prior to the date cancellation is to take effect in all other cases. In these cases, notice will be mailed by certified mail or United States post office certification of mailing or by first class mail using Intelligent Mail barcode or other similar tracking method used or approved by the United States Postal Service.
3. We may not cancel this policy solely because of the location of the residence, age, race, color, religion, sex, national origin or ancestry of anyone who is an "insured".
4. After this policy is in effect for 60 days or if this is a renewal or continuation policy, we will cancel only if:
  - a. The named insured shown in the Declarations fails to pay the premium for this policy or any installment thereof;
  - b. The insurance was obtained through fraudulent misrepresentation;
  - c. You, any other driver who lives with you and who customarily operates "your covered auto", or any other driver who regularly and frequently operates "your covered auto":
    - (1) Has had their driver's license suspended or revoked during the policy period;
    - (2) Becomes permanently disabled either physically or mentally and that individual does not produce a certificate from a physician or a registered nurse practitioner testifying to that individual's ability to operate a motor vehicle;
    - (3) Is or has been convicted during the 36 months immediately preceding the effective date of the policy or during the policy period for:
      - (a) Criminal negligence resulting in death, homicide or assault, and arising out of the operation of a motor vehicle;
      - (b) Operating a motor vehicle while in an intoxicated condition or while under the influence of drugs;
      - (c) Leaving the scene of an accident;
      - (d) Making false statements in an application for a driver's license;
      - (e) Reckless driving;

unless you agree in writing to exclude as insured such person by name when operating a motor vehicle and also agree to exclude coverage to the named insured for any negligence which may be imputed by law to the named insured arising out of the maintenance, operation or use of a motor vehicle by such excluded person.

- (4) Uses “your covered auto” while logged into a transportation network company’s application or platform as a driver, whether or not a passenger is “occupying” the vehicle, unless:
  - (a) You have procured an endorsement to this policy that expressly provides such coverage; or
  - (b) You are covered by a motor vehicle liability insurance policy issued by another insurer expressly providing such coverage.

Transportation network company has the same meaning as under B.1. of the **EXCLUSION OF TRANSPORTATION NETWORK COMPANY & PERSONAL VEHICLE SHARING PROGRAM USE**.

- d. We are placed in rehabilitation or receivership by the insurance supervisory official in our state of domicile or by a court of competent jurisdiction or the Director of Insurance has suspended our Certificate of Authority based on our financially hazardous condition.
- e. “Your covered auto” is used regularly and frequently for commercial purposes by:
  - (1) You;
  - (2) Any other driver who lives with you and who customarily operates “your covered auto”; or
  - (3) Any other driver who regularly and frequently operates “your covered auto”.
- f. The Director of Insurance determines that the continuation of this policy would place us in violation of the laws of Arizona or would jeopardize our solvency.
- g. There is any other reason permitted by state law.

#### Nonrenewal

We may refuse to renew or continue this policy for any reason other than the location, residence, age, race, color, religion, sex, national origin or ancestry of anyone who is an “insured”. However, we may refuse to renew or continue this policy if you establish a primary residence in a state other than Arizona.

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 45 days before the end of the policy period except for nonpayment of premium as provided in the Offer To Renew provision.

Notice will be mailed by certified mail, or United States post office certificate of mailing or by first class mail using Intelligent Mail barcode or other similar tracking method used or approved by the United States Postal Service except if the reason we decide not to renew or continue this policy is that the named insured shown in the Declarations fails to pay the premium for this policy or any installment thereof.

#### Offer To Renew

If we offer to renew or continue this policy and you or your representative do not pay the required renewal or continuation premium within seven days after the due date, thereby not accepting our offer, we may terminate this policy on or after the eighth day following the due date, by mailing notice of termination by certified mail or United States post office certificate of mailing to the named insured at the address shown in the policy. Termination is to take effect on the earlier of the following dates:

- 1. The date of the mailing of the notice; or
- 2. The effective date of any other insurance you have obtained on “your covered auto”.

However, if you or your representative notifies us in writing that you:

- 1. Have obtained other insurance on “your covered auto”; or
- 2. Do not wish to renew or continue this policy;

the above provision does not apply and any insurance provided by this policy will terminate in accordance with the Automatic Termination provision below.

#### Automatic Termination

If you notify us in writing that you do not wish to renew or continue, any insurance provided by this policy will automatically terminate at the end of the current policy period. We will mail you a notice of termination.

#### Other Termination Provisions

1. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund of the pro rata unearned premium.
2. The effective date of cancellation stated in the notice shall become the end of the policy period.

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

Under the **Transfer of Your Interest in This Policy** provision, Paragraph B. 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 total policy exclusion is added:

#### **EXCLUSION OF TRANSPORTATION NETWORK COMPANY & PERSONAL VEHICLE SHARING PROGRAM USE**

- A. There is no coverage of any kind under this policy for any accident, loss, "bodily injury", "property damage" or any other damage, expense or loss for any person or any party that results from, arises out of, or is related to any person operating or using "your covered auto" or any other vehicle in any type of activity associated or connected with any:
  1. Transportation network company (TNC). This includes the ownership, maintenance, use, occupancy or possession of any vehicle during the period of time from the moment a participating driver in a TNC logs on to the TNC's online-enabled application or platform until that driver logs off of the online-enabled application or platform, or the passenger exits the vehicle, whichever is later; or
  2. Personal vehicle sharing program, use or activity. However, this exclusion only applies to the extent that loss, damage or expense exceeds the minimum limits of liability required by the Arizona Financial Responsibility Law.
- B. For purposes of this exclusion:
  1. Transportation network company (TNC) means any type of organization or entity that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle.
  2. Personal vehicle sharing program means a group or legal entity engaged in the business or activity of facilitating or promoting the sharing of private passenger vehicles for noncommercial use by individuals.

The following is added:

#### **EXCESS COVERAGE**

Coverage under this policy applies on a primary basis only with respect to "your covered auto", 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.

All other policy provisions apply.