

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## STATE ENDORSEMENT – NORTH DAKOTA

**SUBJECT TO THE PROVISIONS OF THIS POLICY, CONTRACTUAL LIABILITY COVERAGE IS PROVIDED FOR “PROPERTY DAMAGE” TO PRIVATE PASSENGER MOTOR VEHICLES RENTED UNDER WRITTEN CONTRACT FOR 30 CONTINUOUS DAYS OR LESS, PURSUANT TO THE PROVISIONS OF THE NORTH DAKOTA STATUTES. THEREFORE, DEPENDING ON THE PROVISIONS CONTAINED IN THE RENTAL CONTRACT, IT MAY NOT BE NECESSARY TO PURCHASE COVERAGE FOR “PROPERTY DAMAGE” TO PRIVATE PASSENGER MOTOR VEHICLES RENTED FOR 30 CONTINUOUS DAYS OR LESS. PRIVATE PASSENGER MOTOR VEHICLES INCLUDE STATION WAGONS, MINIVANS, VANS, AND PICKUPS AND DOES NOT INCLUDE MOTOR HOMES, MOTORCYCLES, OR TRUCKS OTHER THAN PICKUPS.**

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

### DEFINITIONS

The definition of “Family member” is replaced by the following:

“Family member” means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.

The following is added:

Throughout the policy, “minimum limits” refers to the following limits of liability as required by North Dakota 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. \$25,000 for each accident with respect to “property damage”.

### PART A – LIABILITY COVERAGE

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

- A. 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.

Under the **Supplementary Payments** provision, Paragraph F. is added as follows:

In addition to our limit of liability, we will pay on behalf of an “insured”:

- F. Prejudgment interest awarded against the “insured” on that part of the judgment we pay. If we make an offer to pay our limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.

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

Exclusion 1. is replaced by the following:

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

1. Who intentionally causes “bodily injury” or “property damage”. An intentional act includes any voluntary act that a reasonable person could foresee may cause injury or damage. However, this exclusion does not apply to an innocent co-insured if the loss arises out of domestic violence or abuse and the perpetrator of the loss is criminally prosecuted for the act causing the loss.

Exclusion 3. is 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:

- a. “Property damage” to a residence or private garage; or
- b. Liability assumed under written contract for “property damage” to a private passenger motor vehicle rented by you or any “family member” for 30 continuous days or less.

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

If there is other applicable liability insurance:

1. 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.
2. Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance, including any applicable physical damage insurance provided under another policy. However, any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for “your covered auto”, will be primary insurance if the vehicle is insured under a policy affording coverage to a named insured engaged in the “business” of:
  - a. Selling;
  - b. Repairing;
  - c. Servicing;
  - d. Storing;
  - e. Leasing;
  - f. Renting; or
  - g. Parking;
 motor vehicles. This applies only if an “insured”:
  - a. Is operating the vehicle; and
  - b. Is neither the person engaged in such “business” nor that person's employee or agent.

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

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

If there is other applicable auto medical payments insurance:

1. 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.
2. Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance. However, any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for “your covered auto”, will be primary insurance if the vehicle is insured under a policy affording coverage to a named insured engaged in the “business” of:
  - a. Selling;
  - b. Repairing;
  - c. Servicing;
  - d. Storing;
  - e. Leasing;
  - f. Renting; or
  - g. Parking;
 motor vehicles. This applies only if an “insured”:
  - a. Is operating the vehicle; and

- b. Is neither the person engaged in such “business” nor that person's employee or agent.

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

Under the **Exclusions** provision, 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”. An intentional act includes any voluntary act that a reasonable person could foresee may cause injury or damage. However, this exclusion does not apply to an innocent co-insured if the loss arose out of domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss or abuse and the perpetrator of the loss is criminally prosecuted for the act causing the loss.

If we pay a claim pursuant to Exclusion 10., our payment to the “insured” is limited to that “insured's” insurable interest in the property less any payments we first made to other parties with a legal secured interest in the property. In no event will we pay more than the Limit of Liability.

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

- 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.

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

If other sources of recovery also cover the loss, 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 “non- owned auto” shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the “non-owned auto”;
2. Any other applicable physical damage insurance;
3. Any contractual liability coverage provided for rented vehicles under **PART A** of the policy; and
4. Any other source of recovery applicable to the loss.

The **Vehicle Trailer** provision is replaced by the following:

We will cover “your vehicle trailer”, less the deductible per loss shown in the Declarations or Schedule, for up to the amount of insurance specified in the Declarations or Schedule. Coverage is subject to all of the applicable terms and conditions of this policy. “Your vehicle trailer” means the vehicle trailer(s) shown 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 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 rescind, cancel and/or 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.

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".

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

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 to the named insured shown in the Declarations at the address shown in this policy:
  - a. At least 10 days' notice:
    - (1) If cancellation is for nonpayment of premium; or
    - (2) If this policy has been in effect less than 60 days at the time notice of cancellation is mailed and this is not a renewal or continuation policy; or
  - b. At least 20 days' notice in all other cases.
3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, we will cancel only:
  - a. For nonpayment of premium; or
  - b. If your driver's license 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 if this is not a renewal or continuation policy; or
    - (2) If this is a renewal or continuation policy, during the policy period or the 180 days immediately preceding this policy's effective date.

However, in the event an operator has had his driver's license suspended or revoked, before cancelling this policy we will offer to continue the policy with a provision excluding coverage when that person who has had his driver's license suspended or revoked is operating a motor vehicle. If such offer is accepted, we will issue an endorsement to that effect.
  - c. If the policy was obtained through material misrepresentation.

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. Subject to this notice requirement, if the policy period is:

1. Less than six months, we will have the right not to renew or continue this policy every six months, beginning six months after its original effective date.
2. Six months or longer, but less than one year, we will have the right not to renew or continue this policy at the end of the policy period.

3. One year or longer, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

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 cancelled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. 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:

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 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 there is other applicable personal injury protection coverage, any coverage we provide under this policy with respect to “bodily injury” sustained by an “insured”:

1. Will apply on a primary basis, if the accident arises out of the use or operation of “your covered auto” except as provided in 2. and 3. below.
2. Will apply on an excess basis, if:
  - a. The accident involves the operation of “your covered auto” in a “transportation network company” (TNC) or “Personal vehicle sharing program”; and
  - b. You or a “family member” is insured under another policy affording personal injury protection coverage required by the North Dakota Auto Accident Reparations Act.
3. Will apply on an excess basis if the accident involves the use or operation of “your covered auto” during any period of time such vehicle is being used while logged into a TNC’s online-enabled application or platform until that driver logs off of the online-enabled application or platform, whether or not a passenger is occupying the vehicle.

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. 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, except personal injury protection (PIP) 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.
- 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 other than the vehicle's owner.

All other policy provisions apply.