

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## STATE ENDORSEMENT – HAWAII

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 Hawaii law, to be provided under a policy of automobile liability insurance:

1. \$20,000 for each person, subject to \$40,000 for each accident, with respect to "bodily injury"; and
2. \$10,000 for each accident with respect to "property damage".

### DEFINITIONS

The definition of "you" and "your" is replaced by the following:

Throughout this policy, "you" and "your" refer to the named insured shown in the Declarations; and

1. The spouse; or
2. A partner who has entered into a civil union with the named insured recognized under Hawaii law; if a resident of the same household.

If the spouse or partner who has entered into a civil union with the named insured ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse or such partner will be considered "you" and "your" under this policy but only until the earlier of:

1. The end of 90 days following the spouse's or such partner's change of residency;
2. The effective date of another policy listing the spouse or such partner as a named insured; or
3. The end of the policy period.

The definition of "family member" is replaced by the following:

"Family member" means a person who is a resident of your household and either:

1. Registered with the Director of Health as a reciprocal beneficiary; or
2. Related to you by blood, marriage, civil union recognized under Hawaii law or adoption. This includes a ward or foster child.

The following definition is added:

"Temporary loaner vehicle" means a vehicle:

1. Available to you as a customer of a repair shop or a dealer licensed by one or more appropriate state agencies; and
2. Used by you while the repair shop or dealer is servicing any "antique vehicle" or "classic vehicle" shown in the Declarations or Schedule.

### PART A – LIABILITY COVERAGE

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

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 involving "your covered auto". 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.

The following is added:

"Your covered auto", as used in **PART A**, also includes a "temporary loaner vehicle" and a "U-Drive motor vehicle".

"U-Drive motor vehicle" means a motor vehicle which is rented, leased or offered for rent or lease to you or any "family member" for a period of six months or less from an operator of a U-Drive rental business.

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".

The limit of liability shown in the Declarations or Schedule for **Liability Coverage** is our maximum limit of liability for all damages resulting from any one auto 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 auto accident.

However, any insurance we provide for a "U-Drive motor vehicle" will not exceed the minimum limits.

We will apply the limit of liability to provide any separate minimum limits required by law for bodily injury and property damage liability. However, this provision will not change our total limit of liability.

- 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.

However, we will not pay more than the Guaranteed Value® per vehicle shown under **PART D** in the Declarations or Schedule..

No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:

1. **PART C** of this policy; or
2. Any **Underinsured Motorists Coverage** provided by this policy.

Under the **Out of State Coverage** provision, paragraph B. is replaced by the following:

- B. No one will be entitled to duplicate payments for the same elements of loss as a result of the application of this provision.

Under the **Other Insurance** provision, the following is added:

- A. Any insurance provided under **PART A** with respect to a "U-Drive motor vehicle" shall be primary if:
1. We respond on behalf of you or any "family member" to a claim or suit to which this insurance applies; and
  2. The other applicable provisions of the Hawaii Motor Vehicle Law are satisfied;
- Otherwise, any insurance we provide shall be excess over any other collectible insurance.
- B. Any insurance provided under **PART A** with respect to a "temporary loaner vehicle" shall be primary if you or a "family member" are driving the "temporary loaner vehicle" and you or a "family member" are in an auto accident. Any similar insurance covering the "temporary loaner vehicle" will be excess coverage.
- C. If there is an auto accident while an employee of a registered repair shop or licensed motor vehicle dealer is driving or road-testing "your covered auto", this insurance is excess to any primary coverage available to the repair shop or dealer.

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

This **PART B** is deleted. Refer to the **Personal Injury Protection Coverage – Hawaii** endorsement.

**PART C – UNINSURED MOTORISTS COVERAGE**

This **PART C** is deleted. Refer to the **Uninsured Motorists Coverage and Underinsured Motorists Coverage – Hawaii** endorsement.

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

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

We will not pay for loss to “your covered auto” due to “diminution in value”. “Diminution in value” means the actual or perceived loss in market value which results from a direct and accidental loss.

Under the **Limit of Liability** provision, the following is added:

If we pay the amount necessary to repair the stolen or damaged property with other property of like kind and quality, we will provide you with the option to use either:

1. Original equipment manufacturer parts; or
2. Like, kind and quality parts which are of equal or better quality to the original equipment manufacturer parts;

in any repairs to the motor vehicle body.

If you choose to use original equipment manufacturer parts in the repairs, the most we will pay for each original equipment manufacturer part is the cost for an equivalent like, kind and quality part unless the original equipment manufacturer parts are required by the motor vehicle manufacturer's warranty.

Our rights under this provision are subject to the Provisions of Section 431:10C-313.6 of the Hawaii Motor Vehicle Insurance Law.

The following **Loss Payable Clause** provision is added:

**LOSS PAYABLE CLAUSE**

Loss or damage under this policy shall be paid, as interest may appear, to you and the Loss Payee shown in the Declarations or Schedule. This insurance with respect to the interest of the Loss Payee, shall not become invalid because of your fraudulent acts or omissions unless the loss results from conversion, secretion or embezzlement of “your covered auto”. However, we reserve the right to cancel the policy as permitted by policy terms and the cancellation shall terminate this agreement as to the Loss Payee's interest. We will give the same advance notice of cancellation to the Loss Payee as we give to the named insured shown in the Declarations or Schedule.

When we pay the Loss Payee we shall, to the extent of payment, be subrogated to the Loss Payee's right of recovery.

**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**

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

- C. No action may be brought against us more than 2 years after the latest of the following:

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1. The date of the "auto accident";
2. Our last payment;
3. The entry of a final order in arbitration;
4. The entry of final judgment in, or dismissal with prejudice of, a tort action arising from a motor vehicle accident, where a cause of action for insurer bad faith arises out of the tort action; or
5. Payment of liability coverage for **Underinsured Motorists Coverage** claims.

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

Cancellation, 2. and 3. are 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 20 days' notice if cancellation is for nonpayment of premium; or
  - b. At least 30 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;
  - b. If the driver's license of the principal operator of "your covered auto" is under suspension or revocation; or
  - c. Any other reason permitted by state law.

Nonrenewal is replaced by the following:

- 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 have the right not to renew or continue this policy if:
  1. One or more of the reasons listed in Paragraph 3. of the Cancellation Provision exists;
  2. The Hawaii Insurance Commissioner determines that our financial soundness would be impaired by the writing of additional policies of insurance;
  3. We cease to write any new policies of insurance of any kind in the State of Hawaii; or
  4. We are otherwise permitted by the laws of the State of Hawaii.

Nonrenewal notice must include the reason for the nonrenewal.

Automatic Termination is replaced by the following:

- C. Automatic Termination. If we offer in writing to renew or continue your policy at least 30 days before the end of the current policy period and you or your representative do not accept our offer before the end of that policy period, your policy will automatically terminate. 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.

Other Termination Provisions is replaced by the following:

- D. Other Termination Provisions

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1. We will mail any notice of cancellation, non-renewal, or refusal to continue, supported by a certificate of mailing properly validated by the U.S. Postal Service, to the address shown in this policy.
2. If this policy is cancelled, you may be entitled to a premium refund. The premium refund, if any, will be:
  - a. Computed pro rata; and
  - b. Made within 15 days of the date cancellation becomes effective.

However, making or offering to make the refund is not a condition of cancellation.
3. If this policy is cancelled and, within 30 days after you are notified of the cancellation, you do not return:
  - a. The motor vehicle insurance card applicable to this policy; or
  - b. A signed affidavit stating that the card is lost or stolen;

We may:

  - a. Withhold any unearned portion of the premiums if the premiums are prepaid; or
  - b. Bring a civil action against you if the premiums have not been paid in full.

Under the **Transfer of Your Interest in this Policy** provision, A.1. is replaced by the following:

1. The surviving:
  - a. Spouse; or
  - b. Partner who has entered into a civil union with the named insured recognized under Hawaii law;

if a resident in the same household at the time of death. Coverage applies to the spouse or partner who has entered into a civil union with the named insured as if a named insured shown in the Declarations; and

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 **Amendatory Endorsements** provision is deleted.

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.

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.
- 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.