

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

VALUE-ADDED ENDORSEMENT – NORTH CAROLINA

This additional insurance is provided for no extra premium subject to the provisions of this endorsement and in compliance with all applicable provisions of the North Carolina Classic Automobile Physical Damage Policy to which it is attached.

PART D - COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

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

The following words and phrases are defined only with respect to the coverage provided by this endorsement:

“Auto accident” means “bodily injury” due to an accident sustained by you or a “family member” involving the ownership, operation, maintenance or use of “your covered auto” as a vehicle.

“Automotive Tools” includes tools and portable equipment used in the maintenance of collector vehicles. This also includes:

1. Portable carts or cases used to store covered tools; and
2. Accessories for covered tools whether attached or not.

“Bodily injury” means bodily harm to a person and any sickness, disease, or death, to that person resulting therefrom.

“Personal effects” includes items usually carried by tourists and travelers, which you own, while temporarily located in the vehicle, except “personal effects” does not include:

1. “Equipment”; “spare parts”; or “automotive tools”;
2. Accounts, bills, checks, credit or debit cards, currency, deeds, documents, evidences of debt, gift cards or certificates, letters of credit, money, notes, or securities;
3. Portable digital or electronic devices, cell phones, or laser or radar detection devices, including their accessories; or
4. Tapes, disks or other media used with equipment described immediately above.

The definition of “newly acquired auto” is replaced by the following:

“Newly acquired auto” means any “antique vehicle” or “classic vehicle” on the date you became owner during the policy period, whether as a new vehicle or replacement of a vehicle shown in the Declarations or Schedule, provided that:

1. It is in stock condition and has not been modified from the original manufactured design;
2. You ask us to insure it within 90 days after you become the owner; and
3. We insure all of your collector vehicles.

Under **PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO**, the limit provided on this vehicle will be the lesser of the following:

1. The purchase price;
2. The verifiable value;
3. The highest limit of coverage available for any one vehicle already insured under the policy; or
4. \$5,000,000.

An endorsement must be issued to fully cover any additional vehicles you acquire.

“Your camper trailer(s)” means a non-motorized vehicle designed to be towed, and featuring living accommodations that may include cooking, heating/cooling, bathroom, plumbing and sleeping arrangements. This includes fifth-wheel trailers, but does not include self-propelled vehicles, truck-mounted camper bodies, semi-trailers or trailers used for any commercial purpose or as a vehicle conveyance. “Your camper trailer(s)” means the camper trailer(s) shown in the Declarations or Schedule. It does not include any non-owned or temporary substitute camper trailer(s).

The **Spare Parts** provision is amended by adding the following:

The limit shown in the Declarations or Schedule for “spare parts” is increased to \$1,500, or the amount shown in the Declarations or Schedule for “spare parts”.

The **Limit of Liability** provision in AC 001 is replaced by the following:

LIMIT OF LIABILITY

- A. We will pay the limit shown in the Declarations or Schedule for the applicable vehicle, which is agreed to be the Guaranteed Value® of “your covered auto” or “your camper trailer”, inclusive of any applicable taxes and fees, in case of a total loss or “constructive total loss”. This limit of liability shown for each vehicle is increased by two percent at the end of each three-month period after the policy effective date. Upon expiration of the policy period, the limit reverts back to the Guaranteed Value® shown in the Declarations or Schedule. This amount is used to process your renewal unless you request a change in the amount of insurance to which we must also agree.
- B. For all other loss or damage to “your covered auto” or “your camper trailer”, 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 in the Declarations or Schedule.

The following provisions are added:

LIMITED WAIVER OF COLLISION DEDUCTIBLE

When there is a loss to “your covered auto” or “your camper trailer” insured for “collision” coverage:

- 1. No deductible will apply if the loss was caused by a collision with another auto insured by us; or
- 2. Up to \$2,500 of any applicable deductible will be waived if the loss is determined to be less than 50% your fault.

The following coverage applies to “your covered auto” or “your camper trailer” listed in the Declarations or Schedule if the loss or damage is caused by:

- A. “Other than collision”, only if the Declarations or Schedule indicate that Other Than Collision Coverage is provided for “your covered auto” or “your camper trailer”.
- B. “Collision”, only if the Declarations or Schedule indicate that Collision Coverage is provided for “your covered auto” or “your camper trailer”.

LOSS OF USE AND TRIP INTERRUPTION EXPENSES

We will pay, without application of a deductible, up to a maximum limit of \$1,500 for reasonable:

- 1. Temporary expenses incurred by you for transportation, lodging and meals in the event of direct and accidental loss to, or mechanical breakdown of, “your covered auto” or “your camper trailer”;
- 2. Expenses of up to \$20 per day, or the amount for which you become legally responsible, in the event of a covered loss to, or mechanical breakdown of, an auto not owned by or furnished or available for your regular use which is a replacement for “your covered auto” or “your camper trailer”; and
- 3. Unrecoverable, pre-paid expenses for your attendance at collector vehicle events, such as pre-registration fees.

This coverage applies only if:

- 1. The loss to, or mechanical breakdown of, “your covered auto” or “your camper trailer” occurs more than 50 miles from its customary garaging; and
- 2. “Your covered auto” or “your camper trailer” is withdrawn from use for at least 24 hours.

LIMIT OF LIABILITY

- 1. Our payment for these expenses will be limited to that period of time reasonably required to:
 - a. Resume travel under a prearranged itinerary; or
 - b. Return home.

2. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and **PART D** of the policy.

EXCLUSIONS

We will not pay for loss to, or loss of use of, a rental vehicle rented by you if a rental vehicle company is precluded from recovering such loss or loss of use from you, pursuant to the provisions of any applicable rental agreement or state law.

AUTOMOTIVE TOOLS COVERAGE

We will pay up to \$250 for direct and accidental loss or damage to “automotive tools” for “your covered auto” or “your camper trailer”, subject to a deductible of \$25. This coverage does not include tools used in any business, or property of others in your care, custody or control.

However, we will not pay for loss to “automotive tools” caused by theft unless the loss results from forcible entry.

PERSONAL EFFECTS COVERAGE

We will pay up to \$250 for direct and accidental loss or damage to your “personal effects” while in “your covered auto” or “your camper trailer”, subject to a deductible of \$25.

However, we will not pay for loss to “personal effects” caused by theft unless the loss results from forcible entry into “your covered auto” or “your camper trailer”.

VEHICLE VALUABLE PAPERS COVERAGE

We will pay up to \$250 for direct and accidental loss or damage to vehicle valuable papers and records while in “your covered auto” or “your camper trailer”, subject to a deductible of \$25. This coverage includes the cost to research lost information on valuable papers and records for which duplicates do not exist.

However, we will not pay for loss to valuable papers and records caused by theft unless the loss results from forcible entry into “your covered auto” or “your camper trailer”. All losses caused by theft must have visible marks of forcible entry.

For purposes of this coverage, “your covered auto’s” or “your camper trailer’s” valuable papers and records includes but is not limited to printed or written materials such as an owner’s handbook, parts or service manuals or sales literature.

VEHICLE VIN THEFT AND FRAUDULENT TITLE COVERAGE

We will pay, without a deductible, for expenses reasonably and necessarily incurred by you to establish ownership as a result of the fraudulent and unlawful use of the Vehicle Identification Number (VIN) by others. We will also pay for the loss of the vehicle if the title of “your covered auto” is shown to be fraudulent, you did not know it was fraudulent, and the vehicle is confiscated by a public authority. This includes reasonable attorney fees with prior notice and approval by us.

LIMIT OF LIABILITY

Our limit of liability during any one policy period shall be the lesser of:

1. The cost to establish ownership and clear the title;
2. The Guaranteed Value®; or
3. \$50,000.

Paragraph A.2. of **Limited Vehicle Fraud Coverage** provision is deleted.

COVERAGE FOR ACCIDENTAL DEPLOYMENT OF AN AIRBAG

In addition, we will pay, without application of a deductible, up to \$1,500 for the cost to repair or replace an airbag passive restraint system that accidentally deploys when not caused by a “collision” or “other than collision” loss.

VEHICLE LOCK COVERAGE

In addition, we will pay, without application of a deductible, up to \$1,500 for a loss to keys for “your covered auto” or “your camper trailer” which includes:

1. The cost to duplicate or replace lost or stolen keys;
2. The labor costs to retrieve keys accidentally locked in the vehicle; or
3. The cost to re-key the vehicle locks when the keys are lost, stolen, or the vehicle is stolen and then recovered.

OTHER SOURCES OF RECOVERY

Any insurance we provide with respect to the additional coverage under **PART D** of this endorsement shall be excess over any other collectible source of recovery. The most we will pay for all covered damages shall not exceed the actual amount of loss associated with each accident.

The following coverage is added by this endorsement:

ACCIDENTAL DEATH BENEFIT

INSURING AGREEMENT

We will pay the **Accidental Death Benefit** in the event of your death or the death of a “family member” when:

1. “Bodily injury” is a direct result of an “auto accident” involving “your covered auto” which is listed in the Declarations or Schedule with Bodily Injury or Combined Single Limits; and
2. Death occurs within 90 days after the date of the accident.

For purposes of **Accidental Death Benefit** coverage:

1. “Your covered auto” does not include a vehicle you do not own, or a vehicle with fewer than four wheels; and
2. A limited benefit may be extended to a pet owned by you or any “family member” occupying “your covered auto” at the time of the accident.

EXCLUSIONS

We do not provide any **Accidental Death Benefit** for “bodily injury”:

1. Caused by or resulting from an intentional act committed by or at the direction of any “named insured” or “family member”. An intentional act includes any voluntary act that a reasonable person could foresee may cause injury or damage;
2. When the “auto accident” occurs while you or a “family member” is operating or is a passenger on a motorcycle;
3. When the “auto accident” occurs while you or a “family member” is engaged in illegal activities;
4. Sustained while “occupying” “your covered auto” when it is being used to carry persons or property for a fee. This exclusion does not apply to a share-the-expense car pool.
5. Sustained while “occupying” “your covered auto” located for use as a residence or premises;
6. Occurring during the course of employment if workers' compensation benefits are required or available for the “bodily injury”;
7. Sustained while “occupying” “your covered auto” when it is being used in any “business”;
8. Caused by or as a consequence of:
 - a. Discharge of a nuclear weapon (even if accidental);
 - b. War (declared or undeclared);
 - c. Civil war;
 - d. Insurrection; or
 - e. Rebellion or revolution;

9. From or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - a. Nuclear reaction;
 - b. Radiation; or
 - c. Radioactive contamination;
10. Caused by suicide or attempted suicide, whether sane or insane;
11. While "your covered auto" is:
 - a. Involved in any prearranged, organized, or spontaneous race or involved in:
 - 1) Preparation for a race of this type, but only while in any pit area, on the track or racecourse or its entrance or exit lanes; or
 - 2) Practicing or qualifying for a race of this type.

A race includes any contest for speed or endurance, whether against another competitor or against a time measuring device.
 - b. Used at a:
 - 1) Racing facility; or
 - 2) Facility or roadway temporarily designated for speed, time, racing, or performance driving events. This includes, but is not limited to, the use of "your covered auto" at a performance or racing driving school, a rally in excess of the legal speed limit, or a closed road rally.

However, paragraphs a.1) and b. of this exclusion do not apply while "your covered auto" is:

- 1) In a race facility's "paddock" area or a specified show display area;
- 2) Being trailered from one location to another;
- 3) Used by you to attend a racing event as a spectator;
- 4) Being operated for purposes of display in any pre- or post-race parade laps; or
- 5) Involved in an organized event on open, public roads while operated within legal speed.
- c. being used to prepare, practice or qualify for, or participate in, any of the following activities, regardless of where they take place:
 - 1) Forced hydraulic bouncing competitions or exhibitions;
 - 2) Pulling against another vehicle, or pulling of a weighted object during competitions or exhibitions, but not including trailer pulling;
 - 3) Stereo thumping competitions or exhibitions; or
 - 4) Any other similar competitive or exhibition activity that a reasonable person could foresee may cause injury or damage.

However, paragraph c. of this exclusion does not apply while "your covered auto" is:

- 1) In a facility or a specified show display area and is not involved in any competitive or exhibition activity described in this paragraph;
- 2) Being trailered from one location to another; or
- 3) Used by you to attend an event as a spectator.

LIMIT OF LIABILITY

The limit of liability is \$10,000 for all deaths resulting from any one "auto accident". At your option, up to \$500 of this limit may be applied to pets. This is the most we will pay regardless of the number of:

1. Covered persons or pets;
2. Claims made;

3. Vehicles or premiums shown in the Declarations or Schedule;
4. Vehicles involved in the accident; or
5. Lawsuits brought.

This coverage will be primary and will not be reduced or be used to reduce any other coverage provided by this policy.

PAYMENT OF BENEFIT

The **Accidental Death Benefit** will be paid as follows:

1. If the deceased person is survived by a spouse who was a resident of the same household at the time of the "auto accident", benefits for death are payable to such spouse;
2. If the deceased was a minor or a pet, benefits for death are payable to you;
3. If 1. or 2. above does not apply, benefits for death are payable to the deceased person's estate.

LEGAL ACTION AGAINST US

Under **Accidental Death Benefit** coverage, suit or action must start within three years of the date of the 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.

PART E – DUTIES AFTER AN ACCIDENT OR LOSS

The following is added:

ADDITIONAL DUTIES FOR ACCIDENTAL DEATH BENEFIT

A person seeking the **Accidental Death Benefit** must also provide us a notarized copy of the deceased person's death certificate and any other proof of claim, under oath, if required.

All other policy provisions apply.