

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## STATE ENDORSEMENT – ILLINOIS

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

- A. \$25,000 for each person, subject to \$50,000 for each accident, with respect to “bodily injury”; and
- B. \$20,000 for each accident with respect to “property damage”.

### DEFINITIONS

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

The following is added to paragraph B. of the definition of “you” and “your”:

If the spouse ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse will be considered “you” or “your” under this policy but only until the earlier of:

1. The end of 90 days following the spouse’s change of residency;
2. The effective date of another policy listing the spouse 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 related to you by blood; marriage or civil union recognized under Illinois law; or adoption who is a resident of your household. This includes a ward or foster child.

### PART A – LIABILITY COVERAGE

Under the **Insuring Agreement** provision, 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 the amount we pay for damages resulting from the occurrence equals the limit of liability shown in the Declarations. 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 **Exclusions** provision, the following changes are made:

Exclusion A. is replaced by the following:

- A. Who intentionally causes “bodily injury” or “property damage” or whose willful actions a reasonable person could foresee may cause injury or loss. However, this exclusion shall not apply to an innocent co-insured who did not cooperate or contribute to the creation of the loss, if the loss arose out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the loss.

Exclusion G. is replaced by the following:

- G. Maintaining or using “your covered auto” while that “insured” is employed or otherwise engaged in any “business” (other than farming or ranching), including but not limited to the selling, repairing, servicing, storing, parking, road testing, or delivery of any vehicle.

This exclusion does not apply to the ownership, maintenance, or use of “your covered auto” by:

1. You;
2. A “family member”;
3. Any partner, agent, or employee of you or a “family member”; or
4. Any other person;

Or to the maintenance or use of a:

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1. Private passenger auto;
2. Pickup or van; or
3. "Trailer" used with a vehicle described in 1. or 2. above.

Exclusion H. is replaced by the following:

- H. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion does not apply to a "family member" using "your covered auto" which is owned by you.

Exclusion J. is replaced by the following:

- J. Who is involved in any prearranged or organized race.

A race includes any contest for speed or endurance, whether against another competitor or against a time measuring device.

The exception referencing Exclusions J.1. and K. is only applicable to Exclusion K.

The following exclusion is added:

We do not provide liability coverage for any "insured" for "bodily injury" to you or a "family member". However, this exclusion does not apply:

1. To the maintenance or use of "your covered auto" by any "insured" other than you or a "family member"; or
2. When a third party acquires a right of contribution against you or a "family member".

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

The **Insuring Agreement** provision is replaced by the following:

### **INSURING AGREEMENT**

- A. We will pay reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":

1. Caused by an accident; and
2. Sustained by an "insured".

We will pay only those expenses incurred for services rendered within 3 years from the date of the accident.

- B. "Insured" as used in **PART B** means:

1. You or a "family member":
  - a. While "occupying" "your covered auto"; or
  - b. As a pedestrian when struck by a motor vehicle designed for use mainly on public roads or a trailer of any type.
2. Any other person while "occupying" "your covered auto".

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

Exclusion A. is replaced by the following:

- A. Sustained while "occupying" "your covered auto" when it is being used to carry persons or property for a fee. However, this does not apply to a shared expense carpool.

Exclusion D. is deleted.

Exclusion F. is deleted.

Exclusion I. is replaced by the following:

- I. Sustained while "occupying" "your covered auto" when it is involved in any prearranged or organized race.

A race includes any contest for speed or endurance, whether against another competitor or against

a time measuring device.

The exception referencing Exclusions I.1. and J. is only applicable to Exclusion J.

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

The **Insuring Agreement** provision is replaced by the following:

### **INSURING AGREEMENT**

We will pay for direct and accidental loss to “your covered auto”, including its “equipment” and a child restraint system being used by a child in “your covered auto” at the time of loss, less any applicable deductible shown in the Declarations, when such loss is caused by:

- A. “Other than collision” only if the Declarations shows that **Other Than Collision Coverage** is provided for that auto.
- B. “Collision” only if the Declarations shows that **Collision Coverage** is provided for that auto.

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

Exclusion G. is replaced by the following:

- G. Loss or damage intentionally caused or directed by you or a “family member”. Intentional loss means any loss arising out of any act you or a “family member” commits or conspires to commit with the intent to cause a loss.

However, this exclusion shall not apply to an innocent co-insured who did not cooperate or contribute to the creation of the loss, if the loss arose out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the loss.

If we pay a claim pursuant to Exclusion G, our payment is limited to that innocent co-insured’s interest in “your covered auto” less any payments we first made to a loss payee or other parties with a legal secured interest in “your covered auto”. In no event will we pay more than the limit of liability.

Exclusion H. is replaced by the following:

- H. Loss caused by or resulting from “your covered auto” being involved in any prearranged or organized race.

A race includes any contest for speed or endurance, whether against another competitor or against a time measuring device.

The exception referencing Exclusions H.1. and I. is only applicable to Exclusion I.

The following is added to the **Limit of Liability** provision:

If there is damage to a child restraint system being used by a child in “your covered auto” for which **Collision Coverage** or **Other Than Collision Coverage** applies at the time of the accident, the most we will pay is the actual cash value of that child restraint system.

## **PART F – GENERAL PROVISIONS**

Under the **Concealment or Misrepresentation** provision, the following is added:

This provision does not apply once the policy has been in effect for one year or one policy period, whichever is less. Notwithstanding the limitation in this paragraph, we may cancel or nonrenew this policy in accordance with the terms of A. Cancellation and B. Nonrenewal in the **Termination** provision of this endorsement shown below.

Under the **Excess Coverage** provision, the following changes are made:

Paragraph C.1. is replaced by the following:

Shared proportionately 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

The following is added:

If we are required by applicable law, or by a court with proper jurisdiction, to provide any insurance under this policy for any non-owned vehicles, the coverage provided under this policy shall be excess over any

other collectible insurance.

Under the **Payment of Loss** provision, the following changes are made:

The fourth paragraph is replaced by the following:

The amount we will pay for a total loss or "constructive total loss" of "your covered auto" or "your camper trailer" shall be reduced by any amount previously paid for repairs not completed at the time of the total loss or "constructive total loss".

The following is added:

If "your covered auto" is replaced within 30 days of payment for a total loss or "constructive total loss", we will, upon your request, pay applicable taxes and fees related to acquiring its replacement. Payment for any taxes and fees will be based on the "Guaranteed Value<sup>®</sup>" shown in the Declarations for the applicable scheduled vehicle.

Under the **Regular Use Vehicle Requirement – Purchasing and Maintaining Other Insurance Coverage for You and Your Regular Use Vehicle** provision, the following changes are made:

Paragraph B.2.a. is replaced by the following:

Coverage under this policy shall share proportionately with other insurance, contingent insurance, self-insurance, liability bonds, certification of financial responsibility, and/or any other source of protection or recovery;

Paragraph B.3. is replaced by the following:

To the extent allowed by law, we have the right to 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 **Termination** provision, the following changes are made:

Under A. Cancellation, paragraphs 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 last known by us:

- a. At least 10 days' notice if cancellation is for nonpayment of premium; or
- b. At least 30 days' notice in all other cases.

Our notice of cancellation must include a specific explanation of the reason for cancellation.

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 within the 12 months prior to the notice of cancellation.
- c. If the policy was obtained through material misrepresentation;
- d. If the insured is in violation of any of the terms and conditions of the policy;
- e. The Named Insured failed to disclose motor vehicle accidents and moving traffic violations for the preceding 36 months, if such information is called for in the application;
- f. Any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim;
- g. The Named Insured or any other operator who either resides in the same household or customarily operates an automobile insured under such a policy:

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- 1) Has, within the 12 months prior to the notice of cancellation, had his driver's license under suspension or revocation;
  - 2) Is or becomes subject to epilepsy or heart attacks, and such individual does not produce a certificate from a physician testifying to his unqualified ability to operate a motor vehicle safely;
  - 3) Has an accident record; criminal or traffic conviction record; or a physical or mental condition which is such that his operation of an automobile might endanger the public safety;
  - 4) Has, within the 36 months prior to the notice of cancellation, been addicted to the use of narcotics or other drugs; or
  - 5) Has been convicted or violated conditions of pretrial release, during the 36 months immediately preceding the notice of cancellation, for any felony, criminal negligence resulting in death, homicide, or assault arising out of the operation of a motor vehicle; operating a motor vehicle while in an intoxicated condition or while under the influence of drugs; being intoxicated while in or about an automobile or while having custody of an automobile; leaving the scene of an accident without stopping to report; theft or unlawful taking of a motor vehicle; making false statements in an application for an operators or chauffeurs license; or has been convicted or violated conditions of pretrial release for 3 or more violations within the 12 months immediately preceding the notice of cancellation of any law, ordinance, or regulation limiting the speed of motor vehicles or any of the provisions of the motor vehicle laws of any state, violation of which constitutes a misdemeanor, whether or not the violations were repetitions of the same offense or different offenses; or
- h. The insured automobile is:
- 1) So mechanically defective that its operation might endanger public safety;
  - 2) Used in carrying passengers for hire or compensation. The use of an automobile for a carpool shall not be considered use of an automobile for hire or compensation;
  - 3) Used in the business of transportation of flammables or explosives;
  - 4) An authorized emergency vehicle;
  - 5) Changed in shape or condition during the policy period so as to increase the risk substantially; or
  - 6) Subject to an inspection law and it has not been inspected or, if inspected, has failed to qualify.

Notification will also be sent to the Named Insured's broker, if known, or agent of record, if known, and to the loss payee designated in the Declarations.

**B. 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 last known by us. Notice will be mailed at least 30 days before the end of the policy period and will include a specific explanation of the reasons for nonrenewal. Notification will also be sent to the Named Insured's broker, if known, or agent of record, if known, and to the loss payee designated in the Declarations. If the policy period is other than 1 year, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

If this policy has been in effect for 5 years or more, we will only nonrenew or refuse to continue the policy if we:

1. Mail you notice of our intent 60 days prior to the expiration date; or
2. Mail you notice of our intent 30 days prior to the expiration date for any of the following reasons:
  - a. The policy was obtained through a material misrepresentation;
  - b. If the insured is in violation of any of the terms and conditions of the policy;
  - c. The Named Insured failed to disclose motor vehicle accidents and moving traffic violations

for the preceding 36 months, if such information is called for in the application;

- d. Any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim;
- e. The Named Insured or any other operator who either resides in the same household or customarily operates an automobile insured under such a policy:
  - 1) Has, within the 12 months prior to the notice of non-renewal had his driver's license under suspension or revocation;
  - 2) Is or becomes subject to epilepsy or heart attacks, and such individual does not produce a certificate from a physician testifying to his unqualified ability to operate a motor vehicle safely;
  - 3) Has an accident record; criminal or traffic conviction record; or a physical or mental condition which is such that his operation of an automobile might endanger the public safety;
  - 4) Has, within the 36 months prior to the notice of non-renewal, been addicted to the use of narcotics or other drugs; or
  - 5) Has been convicted or violated conditions of pretrial release, during the 36 months immediately preceding the notice of nonrenewal, for any felony, criminal negligence resulting in death, homicide, or assault arising out of the operation of a motor vehicle; operating a motor vehicle while in an intoxicated condition or while under the influence of drugs; being intoxicated while in or about an automobile or while having custody of an automobile; leaving the scene of an accident without stopping to report; theft or unlawful taking of a motor vehicle; making false statements in an application for an operators or chauffeurs license; or has been convicted or violated conditions of pretrial release for 3 or more violations within the 12 months immediately preceding the notice of non-renewal of any law, ordinance, or regulation limiting the speed of motor vehicles or any of the provisions of the motor vehicle laws of any state, violation of which constitutes a misdemeanor, whether or not the violations were repetitions of the same offense or different offenses; or
- f. The insured automobile is:
  - 1) So mechanically defective that its operation might endanger public safety;
  - 2) Used in carrying passengers for hire or compensation. The use of an automobile for a carpool shall not be considered use of an automobile for hire or compensation;
  - 3) Used in the business of transportation of flammables or explosives;
  - 4) An authorized emergency vehicle;
  - 5) Changed in shape or condition during the policy period so as to increase the risk substantially; or
  - 6) Subject to an inspection law and it has not been inspected or, if inspected, has failed to qualify.

Under D. Other Termination Provisions, the following changes are made:

Paragraph 1. is replaced by the following:

- 1. Proof of mailing of any notice shall be sufficient proof of notice.

The following is added:

The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to the Named Insured.

All other policy provisions apply.