

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

STATE ENDORSEMENT – MICHIGAN

The following amendment changes 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 Michigan law, to be provided under a policy of automobile liability insurance:

- A. \$50,000 for each person, subject to \$100,000 for each accident, with respect to “bodily injury”; and
- B. \$10,000 for each accident with respect to “property damage”.

DEFINITIONS

The definitions of “you” and “your” are replaced by the following:

Throughout this policy, “you” and “your” refer to:

- 1. The “named insured” shown in the Declarations; and
- 2. The spouse if a resident of the same household.

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” and “your” under this policy but only until the earlier of:

- 1. The effective date of another policy listing the spouse as a named insured; or
- 2. The end of the policy period.

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 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.

This following **Additional Property Damage Liability Coverage** provision is added.

ADDITIONAL PROPERTY DAMAGE LIABILITY COVERAGE

If the Declarations or Schedule indicates that **Additional Property Damage Liability Coverage** applies, we will pay:

- 1. Up to \$3,000 for damage to a motor vehicle for which an “insured” becomes legally responsible because of an auto accident occurring in Michigan and arising out of the use of “your covered auto”. This coverage applies only if “your covered auto” is subject to Section 500.3101 of the Michigan Insurance Code.

Section 500.3101 of the Michigan Insurance Code defines a motor vehicle as a vehicle, including a trailer, that is operated or designed for operation on a public highway by power other than muscular power and has more than 2 wheels.
- 2. Only to the extent that there is no insurance available, except for the insurance provided by this endorsement, to pay for the damage to the motor vehicle for which the “insured” is legally responsible.

Under the **Supplementary Payments** provision, the following paragraph is added:

- F. Prejudgment interest awarded against the “insured” on that part of the judgment we pay.

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” to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the Michigan Financial Responsibility Act.

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 a fee. This Exclusion does not apply to a share-the-expense car pool or to the use of the insured car for volunteer or charitable purposes or for which reimbursement for normal operating expenses is received.

The following Exclusion is added with respect to vehicles subject to Section 500.3101 of the Michigan Insurance Code:

We do not provide Liability Coverage for any “insured” for damage to a motor vehicle as a result of an auto accident occurring in Michigan.

Section 500.3101 of the Michigan Insurance Code defines a motor vehicle as a vehicle, including a trailer, that is operated or designed for operation on a public highway by power other than muscular power and has more than 2 wheels.

PART B – MEDICAL PAYMENTS COVERAGE

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

1. For that “insured’s” liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This Exclusion 1. does not apply to a share-the-expense car pool or to the use of the insured car for volunteer or charitable purposes or for which reimbursement for normal operating expenses is received.

PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

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.

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

APPRAISAL

If “you” and “we” fail to agree on the amount of loss, either party may make a written request for appraisal to settle the dispute. Both “you” and “we” will select a competent and unbiased appraiser and notify the other party of the appraiser’s identity within 20 days after receiving a written request. The two appraisers will select a competent and unbiased umpire. If the two appraisers are unable to agree upon an umpire within 15 days, “you” or “we” may ask a judge of the circuit court for the county in which the loss occurred or in which the property is located to select an umpire.

The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to “us”, the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. A written agreement by any two of these three will set the amount of loss.

Both “you” and “we” will:

- a. Pay the appraiser selected; and
- b. Equally share the other expenses of the appraisal and umpire.

Appraisal is not available where there is a dispute as to the existence of coverage. Nothing herein will prejudice or in any way impact our right to contest coverage and to bring suit in a court of competent jurisdiction contesting coverage.

We do not waive any of our rights under this policy by agreeing to an appraisal.

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PART E – DUTIES AFTER AN ACCIDENT OR LOSS

The following is added to paragraph A.:

Notice to our authorized representative is considered notice to us. Failure to give any notice required by this policy shall not invalidate any claim made by a person seeking coverage if it shall be shown not to have been reasonably possible to give such notice promptly and that notice was given as soon as was reasonably possible.

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 **Private Pleasure Use** provision, Item B. is replaced by the following:

- B. Used as a public or livery conveyance or for any commercial use unless prior written consent has been obtained from us; however, this condition B. does not apply to a share-the-expense car pool or to the use of the insured car for volunteer or charitable purposes or for which reimbursement for normal operating expenses is received.

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

CONCEALMENT, MISREPRESENTATION OR FRAUD

All coverage afforded under this policy will be void in any case of fraud by you or any other person insured under this policy relating to this insurance before or after a loss. All coverage afforded under this policy will also be void if you or any other person insured under this policy conceals or misrepresents any material fact relating to this insurance before or after a loss.

Under the **Legal Action Against Us** provision, the following changes are made:

Paragraph A. is replaced by the following:

- A. No legal action may be brought against us until:
 1. There has been full compliance with all the terms of this policy; and
 2. With respect to **PART A**:
 - a. We agree in writing that the “insured” has an obligation to pay; or
 - b. The amount of that obligation has been finally determined by judgment after trial.

This Paragraph A.2. does not apply if we fail to respond within a reasonable time after a written request, as to whether we agree that the “insured” has an obligation to pay.

Paragraph C. of this provision is replaced by the following:

- C. Under **PART D**, suit or action must start within six years 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 paragraph is added with respect to **Uninsured Motorists Coverage and Underinsured Motorists Coverage**:

We shall be entitled to recovery under Paragraph B. only after the person has been fully compensated for damages by another party.

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

Cancellation 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 giving us 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 last known by us or our agent:
 - a. At least 10 days' notice by first class mail, if cancellation is for nonpayment of premium; or
 - b. At least 20 days' notice by first class mail, if notice is mailed during the first 55 days this policy is in effect and this is not a renewal or continuation policy; or
 - c. At least 30 days' notice by certified mail, return receipt requested, in all other cases.
3. After this policy is in effect for 55 days, or if this is a renewal or continuation policy, we will cancel only:
 - a. For nonpayment of premium; or
 - b. If during the first 55 days after the original issuance of this policy, we determine that the risk is unacceptable to us; or
 - c. 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 and the suspension or revocation has become final. This must have occurred:
 - (1) During the policy period; or
 - (2) Since the last anniversary of the original effective date if the policy period is other than one year; or
 - d. Any other reason permitted by state law.

Nonrenewal is replaced by the following:

Nonrenewal. If we decide not to renew or continue this policy, we will mail notice, by first class mail, to the named insured shown in the Declarations at the address last known to us or our agent. Notice will be mailed at least 30 days before the end of the policy period. If the policy period is other than one year, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

Automatic Termination, the last paragraph is deleted.

Other Termination Provisions, paragraph 2. is replaced by the following:

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 pro rata. However, making or offering to make the refund is not a condition of cancellation.

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

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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 **Excess Coverage** provision is added:

EXCESS COVERAGE

Except to the extent superseded by the Michigan No-Fault Law for Personal Injury Protection benefits, 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.