

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## STATE ENDORSEMENT – RHODE ISLAND

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

1. If liability coverage under this policy is provided on a single limit basis, \$75,000 for each accident; or
2. If liability coverage under this policy is provided on a split limit basis:
  - a. \$25,000 for each person, subject to \$50,000 for each accident with respect to “bodily injury”; and
  - b. \$25,000 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 party who has entered into a civil union with the named insured recognized under Rhode Island law; if a resident of the same household.

If the spouse or party 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 party will be considered “you” and “your” under this policy but only until the earliest of:

1. The end of 90 days following the spouse's or such party's change of residency;
2. The effective date of another policy listing the spouse or such party 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, civil union recognized under Rhode Island 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. We will be directly liable for those sums the “insured” becomes legally obligated to pay as damages to an injured party to which this insurance applies. In the event of that injured party's death, we will be directly liable for those sums the “insured” becomes legally responsible to pay as damages to the party entitled to sue as a result of the injured party's death, and to which this insurance applies. 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, the following is added:

We will pay on behalf of an “insured”:

Prejudgment interest awarded against the “insured” on the entire judgment if we reject a written settlement offer by the plaintiff that is equal to or less than the applicable limit of liability. Where this does not apply, we will pay prejudgment interest awarded against the “insured” on that part of the judgment we pay.

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

Exclusion 3. is replaced by the following:

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

3. For “property damage” to property:

- a. Rented or leased to;
- b. Used by; or
- c. In the care of;

that “insured”.

This exclusion (3.) does not apply to “property damage” to:

- a. A residence or private garage;
- b. Any of the following type vehicles, with a Gross Vehicle Weight Rating of less than 10,000 lbs., not owned by or furnished or available for the regular use of you or any “family member” if liability for such damage is assumed under a written contract which does not exceed 60 days:
  - (1) Private passenger autos;
  - (2) Trailers;
  - (3) Pickups or vans;
- c. Any motor vehicle loaned to the “insured” by an auto manufacturer or dealer in accordance with Section 31-3-20(b) of the Rhode Island Statutes if liability for such damage is assumed under a written contract.

The following exclusion is added:

We do not provide Liability Coverage for any “insured” for “bodily injury” to you or any “family member” to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the Rhode Island Motor Vehicle Reparations Act.

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

#### **OTHER INSURANCE**

- A. If there is other applicable insurance 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.
- B. Except as provided in C. below, any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for “your covered auto”, shall be excess over any other collectible insurance, including physical damage insurance provided under this or any other policy.
- C. With respect to a vehicle you do not own which is rented by you or any “family member” under a written rental agreement:
  - 1. We will provide primary insurance for such rented vehicle if the face of the rental agreement states, in at least 10-point type, that the valid and collectible liability insurance of any authorized operator is primary.
  - 2. If there is no statement on the face of the rental agreement as described in C.1. above, then any insurance we provide for such rented vehicle will be excess to the minimum amounts of coverage required by law under any other collectible insurance providing coverage on a primary basis.

The following **Arbitration** provision is added:

#### **ARBITRATION**

- A. Any person, hereinafter referred to as the plaintiff, suffering a loss, allegedly resulting out of the ownership, maintenance or use of a motor vehicle by an “insured” and allegedly resulting from liability imposed by law for “property damage” or “bodily injury”, may at his or her election, whenever the claim is for fifty thousand dollars (\$50,000) or less, submit the matter to arbitration pursuant to Chapter 3 of Title 10 of the General Laws of Rhode Island.
- B. Selection Of Arbitrator

After submission to arbitration by the plaintiff, one arbitrator shall be selected from the list of qualified arbitrators of the court annexed arbitration program of the Superior Court of Rhode Island. Each party shall share the expenses of arbitration in accordance with the rules of the court annexed arbitration

program.

#### C. Hearings

The arbitrator shall call a hearing and provide seven days' notice of the time and place of the hearing to the parties. The hearing shall be informal, and the rules of evidence prevailing in judicial proceedings shall be binding. Any and all documentary evidence and other data deemed relevant by the arbitrator may be received in evidence. The arbitrator shall have the power to administer oaths and to require by subpoena the attendance and testimony of witnesses, and the production of books, records and other evidence, relative or pertinent to the issues presented to them for determination. The decision of the arbitrator shall be binding upon the parties unless:

1. In the event that suit has not been instituted, either party may reserve his/her right to a jury trial by giving notice of this reservation of right to the other party or parties and to the arbitrator within 60 days of the arbitrator's award by certified mail return receipt requested; or
2. In the event that suit has been instituted, either party files a request for a jury trial with the court and with notice to the other party or parties within 60 days of the arbitrator's award. If said case proceeds to trial subsequent to arbitration, the decision of the arbitrator shall not be admissible.

#### D. Statute Of Limitations

Notwithstanding the foregoing, a suit shall be instituted in order to bring said action within any applicable statute of limitations, but said suit will otherwise be stayed until an arbitrator's award has been made or the case reached for trial.

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

The **Appraisal** provision is removed in its entirety.

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.

### PART E – DUTIES AFTER AN ACCIDENT OR LOSS

Under the **Duties After An Accident Or Loss** provision, the following changes are made:

The following is added to Paragraph B.:

In the event of fire damage to “your covered auto”, file a statement in conformity with R.I. GEN. LAWS Section 27-8.1-2.1 with the appropriate fire department.

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”.

Under the **Our Right To Recover Payment** provision, the following is added:

We shall be entitled to a recovery under Paragraph A. or B. only after the person has been compensated for the applicable deductible less a pro rata share of costs and expenses incurred in obtaining the recovery.

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 10 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 your driver's license or that of any driver who customarily uses “your covered auto” has been suspended or revoked. 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;
  - c. If the policy was obtained through fraudulent misrepresentation; or
  - d. For any other reason allowed by law.

Nonrenewal is replaced by the following:

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 other than one year, we will have the right not to renew or continue it only at each anniversary of its original effective date.

We may not refuse to renew or continue this policy because of a loss occurrence only, unless an “insured” has been involved in either of the following within the annual policy period:

1. A chargeable loss occurrence of at least \$3,000; or
2. Three or more non-chargeable loss occurrences.

Other Termination Provisions 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 **Transfer Of Your Interest In This Policy** provision is replaced by the following:

#### **TRANSFER OF YOUR INTEREST IN THIS POLICY**

- A. Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:

1. The surviving:

- a. Spouse; or
- b. Party who has entered into a civil union with the named insured recognized under Rhode Island law;

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

- 2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use "your covered auto".

B. Coverage will only be provided until the end of the policy period.

Under the **Two Or More Auto Policies** provision, the following is added:

To the extent that Rhode Island law, as amended, requires stacking of coverage, the provision for **Two Or More Auto Policies** shall not apply.

The **State Law** provision is replaced by the following:

#### **STATE LAW**

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 provisions are added:

#### **APPRAISAL**

- A. When we and you, or the claimant, fail to agree as to the amount of the loss, you or the claimant has the right to exercise the independent appraisal process outlined below.
  - 1. We and you, or the claimant, shall each select a "disinterested Rhode Island licensed appraiser" at their own expense. Our chosen appraiser shall inspect the damaged motor vehicle within 4 business days after the written demand is received, provided the damaged motor vehicle is on the premises of the repair shop when the request is made.
    - a. For the purposes of this section a "disinterested Rhode Island licensed appraiser" means a motor vehicle damage appraiser licensed pursuant to chapter 10.1 of title 27 who has not performed an appraisal, received payment or compensation of any type from the claimant, or you, or us in the previous 30 days.
    - b. Any appraiser that does not qualify as a "disinterested Rhode Island licensed appraiser" may be allowed by mutual agreement of both the parties.
  - 2. If our appraiser fails to inspect the damaged motor vehicle within 4 business days we shall forfeit our right to inspect the damaged vehicle prior to repairs, and negotiations shall be limited to labor and the price of parts and shall not, unless objective evidence to the contrary is provided by us, involve disputes as to the existence of damage or the chosen manner of repair. The time limitations set forth in this subsection may be extended by mutual agreement between the auto body repair shop and us.
- B. If the appraisers are unable to resolve the dispute between us and you, or the claimant, then the appraisers shall submit to each other their best proposal to resolve the disagreement.
  - 1. If the proposals differ by 15% or less, the amount of the loss shall be the midpoint between them.
  - 2. If the proposals differ by more than 15%, then, within 3 business days, the appraisers shall submit the names of 3 disinterested Rhode Island licensed appraisers to each other. The appraisers will

select one of the proposed candidates to act as umpire.

3. In the event the parties are unable to agree on a candidate to act as umpire, you or the claimant shall choose an independent association for arbitration such as the American Association of Arbitrators or similar association to provide an umpire.
  4. The umpire shall render a decision within 5 days of appointment.
  5. The agreement by the parties, or the umpire's decision, will be binding on the parties, except for supplemental allowances for hidden damage, parts price increases, or any other reasonable charges related to the loss that have not already been paid for.
  6. If you or the claimant initiates this appraisal provision and the final award exceeds our original offer by more than 25%, we must reimburse all of your or the claimant's appraisal costs. If the difference is less than 25% the parties shall split the cost of the umpire.
  7. If the appraiser selected by us, you or the claimant does not comply with the provisions of § 27-9.1-4 and chapter 10.1 of title 27 or any other applicable Rhode Island law or regulation, their appraisal shall be deemed null and void and excluded from consideration from the umpire.
- C. Neither party shall waive any rights under the applicable insurance policy which are not part of the appraisal process.
- D. We shall not engage in any act or practice of intimidation, coercion, threat, or misrepresentation of consumer rights, for or against an insured person, claimant, or entity chosen in this process.

#### **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**

- E. 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.
- F. 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.