

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

A. is deleted and replaced by:

- A. 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.

F. is deleted and replaced by:

- F. "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.

PART A – LIABILITY COVERAGE

INSURING AGREEMENT

Paragraph A. is deleted and 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 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.

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The **Limit of Liability** Provision is deleted and replaced by:

LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations 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
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. 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.

OUT OF STATE COVERAGE

B. is deleted and replaced by:

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

OTHER INSURANCE

The following provisions are 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 is deleted. Refer to the Personal Injury Protection Coverage – Hawaii Endorsement.

PART C – UNINSURED MOTORISTS COVERAGE

This Part is deleted. Refer to the Uninsured Motorists Coverage – Hawaii Endorsement.

PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

EXCLUSIONS

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.

LIMIT OF LIABILITY

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 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. 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.

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

PART F – GENERAL PROVISIONS**LEGAL ACTION AGAINST US**

C. is deleted and replaced by the following:

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

PAYMENT OF LOSS

The second paragraph is deleted and 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, 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".

TERMINATION**A. Cancellation, 2. and 3. are deleted and replaced by:**

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.

B. Nonrenewal is deleted and replaced by:

- 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.

C. Automatic Termination is deleted and replaced by:

- 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.

D. Other Termination Provisions is deleted and replaced by:**D. Other Termination Provisions**

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.

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TRANSFER OF YOUR INTEREST IN THIS POLICY

A.1. is deleted and replaced by:

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 **Amendatory Endorsements** Provision is deleted.

All other policy provisions apply.