

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

STATE ENDORSEMENT - PENNSYLVANIA

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

1. \$15,000 for each person, subject to \$30,000 for each accident, with respect to "bodily injury"; and
2. \$5,000 for each accident with respect to "property damage".

DEFINITIONS

The following definitions are added:

"Noneconomic loss" means pain and suffering and other nonmonetary detriment.

"Serious injury" means an injury resulting in death, serious impairment of body function or permanent serious disfigurement.

"Loaner vehicle" means a motor vehicle provided to you by a "motor vehicle dealer" while "your covered auto" is being transported, serviced, repaired or inspected by that "motor vehicle dealer" when an "insured" has custody of or is operating that motor vehicle and when the "motor vehicle dealer" has provided such motor vehicle without financial remuneration in the form of a fee, rental or lease charge paid directly by any "insured".

"Motor vehicle dealer" means a person required to be licensed under the act of December 22, 1983 (P.L. 306, No. 84), known as the Board of Vehicles Act, who is engaged in the business of buying, selling or exchanging new or used vehicles or an interest in new or used vehicles, regardless of whether the vehicles are owned by that person. The term includes persons engaged in consignment sales for a seller, but does not include a person issued an identification number by the Department of Transportation, unless the board has also issued a dealer license to the person.

PART A – LIABILITY COVERAGE

The **Insuring Agreement** Provision is deleted and replaced by the following:

INSURING AGREEMENT

- 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 pay damages for "bodily injury" for which any "insured" becomes legally responsible because of an auto accident involving a "loaner vehicle". 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.
- B. "Insured" as used in this Part means:
 1. You or any "family member" for the ownership, maintenance or use of "your covered auto" or a "loaner vehicle".
 2. Any person using "your covered auto" or a "loaner vehicle".
 3. For "your covered auto" or a "loaner vehicle", any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this part.

SUPPLEMENTARY PAYMENTS

The following is added:

Prejudgment interest awarded against the "insured" on the part of the judgment we pay. Any prejudgment interest awarded against the "insured" is subject to the applicable Pennsylvania Rules of Civil Procedure.

EXCLUSIONS

5. is deleted and replaced by the following:

5. For that "insured's" liability arising out of the ownership or operation of "your covered auto" or a "loaner vehicle" while it is being used to carry persons or property for a fee.

7. is deleted and replaced by the following:

7. Maintaining or using "your covered auto" or a "loaner vehicle" while that "insured" is employed or otherwise engaged in any "business" (other than farming or ranching) not described in Exclusion 6.

8. is deleted and replaced by the following:

8. Using "your covered auto" or a "loaner vehicle" without a reasonable belief that that "insured" is entitled to do so.

10. is deleted and replaced by the following:

10. Arising out of the ownership, maintenance or use of a vehicle other than "your covered auto" or a "loaner vehicle".

OTHER INSURANCE

The following is added:

Any insurance we provide for a "loaner vehicle" will be primary.

PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

The **Insuring Agreement** Provision is deleted and replaced by the following:

INSURING AGREEMENT

We will pay for direct or accidental loss to "your covered auto" or a "loaner vehicle" including its "equipment" minus any applicable deductible shown in the Declarations, when such loss is caused by:

1. "Other than collision" only if the Declarations indicate that Other Than Collision Coverage is provided for that auto or for the auto for which a "loaner vehicle" has been provided.
2. "Collision" only if the Declarations indicate that Collision Coverage is provided for that auto or for the auto for which a "loaner vehicle" has been provided.

Any deductibles shown in the Declarations for "your covered auto" shall also apply to the auto's "loaner vehicle".

EXCLUSIONS

A.7. is deleted and replaced by the following:

7. Loss to equipment designed for the reproduction of sound not permanently installed in "your covered auto" or a "loaner vehicle".

The following is added to A.10.:

This Exclusion does not apply to victims of abuse.

LIMIT OF LIABILITY

The following is added:

With respect to a "loaner vehicle":

1. For a total loss or "constructive total loss", we will pay the actual cash value of a "loaner vehicle" up to the limit shown for **Part D** in the Declarations for the "your covered auto" for which the "loaner vehicle" has been provided.
2. For all other loss or damage, we will pay the amount necessary to repair or replace the property, whichever is less, provided you or the "motor vehicle dealer" actually repair or replace the property, but we will not pay more than the limit shown for **Part D** in the Declarations for the "your covered auto" for which the "loaner vehicle" has been provided.

OTHER INSURANCE

The following is added:

Any insurance we provide for a "loaner vehicle" will be primary.

VEHICLE TRAILER

The second paragraph is deleted and replaced by the following:

We will cover "your vehicle trailer" up to the amount of insurance specified in the Declarations, less the applicable deductible.

PART E – DUTIES AFTER AN ACCIDENT OR LOSS is deleted and replaced by the following:

PART E - DUTIES AFTER AN ACCIDENT OR LOSS

If an accident or loss occurs, the following must be done for the terms of the policy to apply:

- A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- B. A person seeking any coverage must:
 1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
 2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
 3. Submit, as often as we reasonably require:
 - a. To physical exams by physicians we select. We will pay for these exams.
 - b. To examination under oath and subscribe the same.
 4. Authorize us to obtain:
 - a. Medical reports; and
 - b. Other pertinent records.
 5. Submit a proof of loss when required by us.
- C. A person seeking Uninsured Motorists Coverage must also:
 1. Promptly notify the police if a hit-and-run driver is involved.
 2. Promptly send us copies of the legal papers if a suit is brought.
- D. A person seeking Coverage For Damage To Your Covered Auto must also:
 1. Take reasonable steps after loss to protect "your covered auto" and its equipment from further loss. We will pay reasonable expenses incurred to do this.
 2. Promptly notify the police if "your covered auto" is stolen.
 3. Permit us to inspect and appraise the damaged property before its repair or disposal

PART F – GENERAL PROVISIONS

The **Concealment or Fraud** Provision is deleted and replaced by the following:

CONCEALMENT OR FRAUD

If you intentionally conceal or misrepresent any material fact relating to this insurance before or after a loss:

1. within the first 59 days the policy has been in effect, the policy will be rescinded;
2. after the policy has been in effect 60 days or more, the coverages relating to the misrepresentation will be voided for the insured who committed the fraudulent act or made the material misrepresentation, if the act or misrepresentation could not have reasonably been discovered by us within the first 59 days the policy was in force and the undisclosed information would have prompted us to decline the risk.

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".

OUR RIGHT TO RECOVER PAYMENT

Paragraph B. is replaced by the following:

- B. If we make a payment under this policy, and the person to or for whom payment is made recovers damages from another, that person shall:
 1. Hold in trust for us the proceeds of the recovery; and
 2. Reimburse us to the extent of our payment less reasonable attorneys' fees, costs and expenses incurred by that person in collecting our share of the recovery.

TERMINATION

A. Cancellation, 2. is deleted and 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 30 days' notice:
 - (1) for nonpayment of premium; or
 - (2) if the notice is mailed within the first 60 days this policy is in effect and this is not a renewal or continuation policy;
 - b. At least 60 days' notice if the policy was obtained through material misrepresentation or for any other reason permitted by state law.

Our right to cancel this policy is subject to the limitations contained in the applicable Pennsylvania Statutes.

A. Cancellation, 3. is deleted.

B. Nonrenewal is deleted and replaced by the following:

- B. Nonrenewal. If we decide not to renew or continue this policy, we will mail to the named insured shown in the Declarations at the address shown in this policy at least 60 days' notice before the end of the policy period.

However, our right to nonrenew this policy is subject to the limitations contained in the applicable Pennsylvania Statutes.

C. Automatic Termination deletes the last paragraph (beginning "If you obtain other insurance...").

The **Amendatory Endorsements** Provision is deleted.

The following provision is added:

CONSTITUTIONALITY CLAUSE

The premium for, and the coverages of, this policy have been established in reliance upon the provisions of the Pennsylvania Motor Vehicle Financial Responsibility Law. In the event a court, from which there is no appeal, declares or enters a judgment the effect of which is to render the provisions of such statute invalid or unenforceable in whole or in part, we will have the right to recompute the premium payable for the policy and void or amend the provisions of the policy, subject to the approval of the Insurance Commissioner.

All other policy provisions apply.