

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

STATE ENDORSEMENT – CALIFORNIA

Throughout this Policy and endorsements attached to it:

The term spouse includes an individual registered under California law as a domestic partner of the "named insured" shown in the Declarations.

Reference to minimum limits means the following limits of liability, as required by California 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

Definition E. is replaced by the following:

- E. "Family member" means a person related to you by blood, marriage, registered domestic partnership under California law or adoption who is a resident of your household. This includes a ward or foster child.

PART A – LIABILITY COVERAGE

The following **Exclusion** is added:

We do not provide Liability Coverage for any "insured" for "bodily injury" to you or any "family member" whenever the ultimate benefits of that indemnification accrue directly or indirectly to you or any "family member".

The **Other Insurance** Provision is amended by adding the following:

Our share of defense costs is the proportion that the amount of damages paid by us bears to the total amount of damages paid under all applicable policies of liability insurance.

PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

Paragraph A of the **Limit of Liability** provision is deleted and replaced with the following:

- A. We will pay the limit shown under Coverage D in the Declarations for each scheduled vehicle, which is agreed to be the value of "your covered auto", inclusive of sales tax and fees, in case of a total loss or "constructive total loss".

The following provision is added:

WAIVER OF COLLISION DEDUCTIBLE

When there is a loss to "your covered auto" insured for Collision Coverage under this Policy, we will pay the full Collision deductible if:

1. The loss involves an "uninsured motor vehicle", as the term is defined in Items 1. and 4. of the "uninsured motor vehicle" definition in the Uninsured Motorists Coverage Endorsement;
2. You are legally entitled to recover the full amount of the loss from the owner or operator of the "uninsured motor vehicle"; and
3. A specific premium charge in the Schedule or in the Declarations indicates that the Waiver Of Collision Deductible Provision applies to that vehicle.

Subject to the above, if you are legally entitled to recover only a percentage of the loss, we will pay that percentage of your deductible. However, if the amount of the loss is less than your deductible, we will pay the percentage of the loss you are legally entitled to recover.

In no event will we pay more than the amount of the loss.

The **Arbitration** and **Duties After An Accident Or Loss** Provisions in the Uninsured Motorists Coverage Endorsement apply to the **Waiver Of Collision Deductible** Provision.

PART F – GENERAL PROVISIONS

The second paragraph of the **Payment of Loss** Provision 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".

The **Our Right to Recover Payment** Provision is amended as follows:

Paragraph A. of this provision does not apply to **Part B.**

The **Termination** Provision is amended as follows:

A. Cancellation, 3. is deleted and replaced by the following:

3. 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:

(1) During the policy period; or

(2) 60 days prior to the most recent renewal or effective date of the Policy and we had no notice of such suspension or revocation.

However, with respect to a suspended driver's license, such cancellation will not become effective if the suspension is removed prior to the time that the cancellation of the Policy is to become effective; or

c. If the Policy was obtained through material misrepresentation of any of the following information, and the correct information is not furnished to us within 20 days of receipt of notice of cancellation:

(1) Safety record;

(2) Annual miles driving in prior years;

(3) Number of years of driving experience;

(4) Record of prior automobile insurance claims, if any; or

(5) Any other factor found by the Commissioner of Insurance to have a substantial relationship to the risk of loss.

d. For any other reason permitted by state law.

B. Nonrenewal is deleted and 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 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 one year or longer, we will have the right not to renew or continue this Policy at each anniversary of its original effective date.

D. Other Termination Provisions, 2. is deleted and 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 **Amendatory Endorsements** Provision is deleted.

The following provision is added:

If the Value-Added Endorsement – California (AC 00 87) or Value-Added Plus Endorsement – California (AC 01 80) is attached to this Policy, the following warning applies:

WARNING

Unless you have automobile insurance written by a Mexican insurance company, you may spend many hours or days in jail if you have an accident in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your automobile.

All other policy provisions apply.