

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF POLICY PROVISIONS – TEXAS

I. Definitions

The **Definitions** section is amended as follows:

A. 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, the spouse will be considered "you" and "your" under this Policy during a period of separation in contemplation of divorce and only until the effective date of another policy listing the spouse as a named insured.

B. Definition K. is replaced by the following:

"Newly acquired auto":

1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:
 - a. A private passenger auto; or
 - b. A pickup, utility vehicle or van, that has a Gross Vehicle Weight Rating of 25,000 lbs. or less that:
 - (1) Is not used primarily for the delivery or transportation of goods, materials or supplies, other than samples; or
 - (2) Is used for farming or ranching.
2. Coverage for a "newly acquired auto" which replaces a vehicle shown in the Declarations is provided as described below.
 - a. For any coverage provided in this Policy except Coverage For Damage To Your Auto, a "newly acquired auto" will have the same coverage as the vehicle it replaced. Coverage begins on the date you become the owner without your having to ask us to insure it.

- b. Coverage For Damage To Your Auto for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply to a replacement vehicle, you must ask us, within 20 days after you become the owner, to:
 - (1) Add Coverage For Damage To Your Auto; or
 - (2) Continue Coverage For Damage To Your Auto on the replacement vehicle after the 20-day period has elapsed.

If you ask us to insure a "newly acquired auto" which replaces a vehicle shown in the Declarations after the 20-day period described above has elapsed, Coverage For Damage To Your Auto we provide for such replacement vehicle, except the coverage provided in **2.b.**, will begin at the time you request the coverage.

3. Coverage for a "newly acquired auto" which is in addition to any vehicle shown in the Declarations is provided as described below.

- a. The "newly acquired auto" will have the broadest coverage we now provide for any covered vehicle shown in the Declarations. Coverage begins on the date you become the owner.
- b. For any coverage provided in this Policy to apply to such additional vehicle, you must ask us to insure it within 20 days after you become the owner.

If you ask us to insure a "newly acquired auto" which is in addition to any vehicle shown in the Declarations after the 20-day period described above has elapsed, any coverage we provide for a "newly acquired auto" will begin at the time you request the coverage.

C. The following definitions are added:

1. Throughout the Policy, "minimum limits" refers to the following limits of liability, as required by Texas law, to be provided under a policy of automobile liability insurance:
 - a. \$30,000 for each person, subject to \$60,000 for each accident, with respect to "bodily injury"; and
 - b. \$25,000 for each accident with respect to "property damage".
2. "Business day" means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

II. Part A – Liability Coverage

A. The following is added to **Exclusions**, Exclusion 5:

This Exclusion (A..5.) does not apply to you or any family member unless the primary usage of the vehicle is to carry property for a fee.

III. Part B – Medical Payments Coverage

A. The following is added to the **Limit Of Liability** Provision:

No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Personal Injury Protection Coverage.

B. The following is added to **Exclusions**, Exclusion 2.

This Exclusion (2.) does not apply to you or any family member unless the primary usage of the vehicle is to carry property for a fee.

C. The following provision is added:

Assignment Of Payments

1. An "insured" may assign, in writing, payments of medical expenses for services provided to the "insured" that are covered under Part B of this Policy to a physician or other health care provider that furnished such services to the "insured".
2. If we receive an "insured's" written assignment of such payments, we will pay the medical expenses covered under Part B directly to the physician or other health care provider that furnished the services to the "insured".

IV. Part D – Coverage For Damage To Your Auto

A. The following is added to **Exclusions**, Exclusion 1.

This Exclusion (1.) does not apply to you or any family member unless the primary usage of the vehicle is to carry property for a fee.

B. Exclusion 6. is replaced by the following:

We will not pay for:

6. A total loss to "your covered auto" or any "non-owned auto" due to destruction or confiscation by government or civil authorities. This exclusion (6.) does not apply to the interests of Loss Payees in "your covered auto".

However, if you are convicted in a case brought against you under the Texas Controlled Substances Act or the federal Controlled Substances Act, we will not pay for any loss to "your covered auto" or "non-owned auto" that is seized by federal or state law enforcement officers as evidence in such case.

C. The **Limit Of Liability** Provision is replaced by the following:

Limit Of Liability

1. Our limit of liability for loss will be the lesser of the:

- a. Actual cash value of the stolen or damaged property; or
- b. Amount necessary to repair or replace the property with other property of like kind and quality.

However, the most we will pay for loss to:

- a. Any "non-owned auto" which is a trailer is \$1,500.
 - b. Electronic equipment that reproduces, receives or transmits audio, visual or data signals, which is permanently installed in the auto in locations not used by the auto manufacturer for installation of such equipment, is \$1,000.
2. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and "property damage" covered under Part C of this Policy.
 3. For any loss or damages to which:
 - a. Uninsured Motorists Coverage of this Policy or similar coverage from another policy; and
 - b. This coverage;

both apply, you may choose the coverage from which damages will be paid. If neither coverage is sufficient to pay the damages or loss, you may recover under both coverages, subject to the following:

- a. You will pay the higher deductible. However, you do not have to pay both deductibles; and
- b. You may not recover more than the actual damages or loss.

C. The following is added to the Payment Of Loss Provision:

If you and we both agree, we will waive the applicable deductible shown in the Declarations for a loss to glass if the glass is repaired rather than replaced.

V. Part E – Duties After An Accident Or Loss

A. Paragraphs B.3 and B.4. are replaced by the following:

A person seeking any coverage must:

- 3. Submit, as often as we reasonably require:
 - A. To physical exams by physicians we select. We will pay these exams.
 - B. To examination under oath and subscribe to the same. A parent or guardian shall be present for minors.
- 4. Authorize us to obtain:
 - A. Medical reports; and
 - B. Other pertinent medical records.

The medical reports must be reasonably related to the accident or loss.

VI. Part F – General Provisions

A. The Termination Provision is replaced by the following:

Termination

Cancellation

This Policy may be cancelled during the policy period as follows:

- 1. The "named insured" shown in the Declarations may cancel by:
 - a. Returning this Policy to us; or
 - b. Giving us advance written 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 shown in this Policy:
 - a. At least 10 days' notice:

- (1) If cancellation is for nonpayment of premium; or

- (2) If notice is mailed during the first 60 days this Policy is in effect and this is not a renewal or continuation policy; or

- b. At least 20 days' notice in all other cases.

- 3. We will not cancel this Policy solely because you are an elected official.

- 4. After this Policy is in effect for more than 59 days, or if this is a renewal or continuation policy, we will cancel only:

- a. For nonpayment of premium; or

- b. If your driver's license or motor vehicle registration 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) Since the last anniversary of the original effective date if the policy period is other than one year. However, in the event you or a driver described in 4.b. above has had his or her driver's license suspended or revoked, before canceling this Policy we will offer to continue the Policy with a provision excluding coverage when the person who has had his or her driver's license suspended or revoked is operating "your covered auto". If such offer is accepted by you, we will issue an endorsement to that effect; or

- c. If the Texas Department of Insurance determines that continuation of the Policy would result in a violation of the Texas Insurance Code or any other law governing the business of insurance in Texas.

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

However, we will not refuse to renew or continue this Policy solely because:

1. Of the age of you or any "family member"; or
2. You are an elected official.

Automatic Termination

If we offer to renew or continue and you or your representative do not accept, this Policy will automatically terminate at the end of the current policy period. 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.

Other Termination Provisions

1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
2. If this Policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund due not later than the 15th "business day" after the effective date of cancellation. The premium refund, if any, will be computed pro rata, subject to the policy minimum premium. However, making or offering to make the refund is not a condition of cancellation.
3. The effective date of cancellation stated in the notice shall become the end of the policy period.

B. The following provisions are added:

1. Payment Of First-party Claims

- a. Within 15 days after we receive written notice of a claim, we will:
 - (1) Acknowledge receipt of the claim. If our acknowledgement of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgement.
 - (2) Begin any investigation of the claim.
 - (3) Specify the information that the person making the claim must provide in accordance with Paragraph B. of Part E.

We may request more information if, during the investigation of the claim, such additional information is necessary.

Personal Auto

- b. After we receive all information we request, we will notify the person making the claim, in writing, whether the claim will be paid or has been denied, or whether more time is needed. We will notify the person making the claim:

- (1) Within 15 "business days"; or
- (2) Within 30 days if we have reason to believe the loss resulted from arson

- c. If we deny the claim or require more time for processing the claim, we must:

- (1) Give the reasons for denying the claim; or
- (2) Give the reasons we require more time to process the claim. However, we must either approve or deny the claim within 45 days after the date we notify the person making the claim that more time is needed.

- d. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above in this provision (B.1.) are extended for an additional 15 days.

- e. If we notify the person making the claim that we will pay the claim, or part of the claim, we will pay the claim within five "business days" after we notify that person.

- f. If payment of the claim or part of the claim requires the performance of an act by the person making the claim, we will pay the claim within five "business days" after the date that person performs the act.

2. Notice Of Settlement Of Liability Claims

- a. We will notify the named insured, in writing, of any initial offer to compromise or settle a claim against an "insured" under Part A – Liability Coverage of this Policy. We will give the named insured notice within 10 days after the date the offer is made.
- b. We will notify the named insured, in writing, of any settlement of a claim against an "insured" under Part A – Liability Coverage of this Policy. We will give the named insured notice within 30 days after the date of the settlement.