

**\*\*THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.\*\***

## **MARYLAND AUTO ENDORSEMENT**

This endorsement changes certain parts of *your* Auto Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

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### **PART II: YOUR LIABILITY COVERAGE**

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#### **LIABILITY AND MEDICAL EXPENSES**

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##### **DAMAGES WE WON'T PAY**

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##### **CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE**

The following is added to *Exclusion (4) Driving for hire*:

This *exclusion* does not apply to liability arising out of the activities of a registered family day care provider.

The following is added to *Exclusion (5) Vehicle related jobs*:

This *exclusion* also doesn't apply to any other person while driving a vehicle named on the Declarations with respect to coverage up to the minimum limits of liability required by the Maryland Vehicle Laws - Required Security.

*Exclusion (7) Improper use* is deleted and replaced by the following:

**(7) Improper use.** We won't pay for any *bodily injury*, *property damage* or *medical expenses* arising out of a *vehicle accident* that occurs while an *insured person* is driving or riding in a vehicle without a reasonable belief that the *insured person* is entitled to do so.

The following is added to *Exclusion (13) Racing*:

This *exclusion* doesn't apply to a vehicle named on the Declarations with respect to coverage up to the minimum limits of liability required by the Maryland Vehicle Laws - Required Security.

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#### **UNINSURED/UNDERINSURED MOTORISTS COVERAGE**

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##### **WHAT WE COVER**

The first two paragraphs of this section are deleted and replaced by the following:

We'll pay damages that an *insured person* is legally entitled to collect from the owner or operator of an *uninsured vehicle* because of *bodily injury* or *property damage* arising out of a *vehicle accident*.

If the liability is covered by any other insurance, bond, worker's compensation or disability benefit, we'll pay only the part that isn't covered. With respect to worker's compensation benefits, this provision applies only if the provider of the worker's compensation benefits has not been reimbursed. No judgment for damages is binding on *us*, unless *we* gave written consent to the lawsuit.

##### **Definition of an uninsured vehicle.**

The following replaces the first bullet in the first paragraph:

- not covered by a bond or policy for *bodily injury* or *property damage*;

The following is added under the first paragraph:

- covered, but the *coverage limit* is reduced by payment to others injured in the accident to an amount less than the limit of liability for this coverage.

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##### **DAMAGES WE WON'T PAY**

The following is added under the first paragraph:

- was in or struck by a vehicle (or *trailer* used with it) covered for vehicle liability under this policy if the vehicle is being driven by a person excluded from coverage under this policy.

The following is added:

Under this coverage, we won't pay damages for property damage:

- for the first \$250 of the amount of *property damage* to the property of each *insured person* as the result of any one accident.
- sustained by any insured person if the damaged property is contained in or struck by a motor vehicle owned by that insured person other than a vehicle listed on your Declarations Page.

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### PART III: TERMS AND CONDITIONS

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#### WHAT TO DO AFTER AN OCCURRENCE OR LOSS

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The first paragraph is deleted and replaced by the following:

This section explains the steps *you* must take after an *occurrence* or loss, in order for *us* to help *you*. If *your* failure to comply with these duties is prejudicial to *us*, we may not be able to pay any money.

The following step is added:

- Step Five: **Additional Duty**

*You* and anyone else who is seeking Uninsured Motorists Coverage must:

- (1) Promptly notify *us* in writing, by certified mail, of a tentative settlement between the *insured person* and the insurer of the uninsured vehicle;
- (2) Allow *us* to send to the *insured person*, within 60 days after the receipt of the notification, a written refusal to consent to acceptance of the settlement offer;
- (3) Allow *us* to advance payment to that *insured person*, within 30 days after the written refusal to consent to acceptance of the settlement offer, in an amount equal to the tentative settlement to preserve *our* rights against the insurer, owner or operator of such uninsured vehicle.

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#### GLOSSARY

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The following is added to the first paragraph of the definition of **Uninsured Vehicle**:

- covered, but the *coverage limit* is reduced by payment to others injured in the accident to an amount less than the limit of liability for this coverage.

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#### GENERAL CONDITIONS

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##### 1. OTHER INSURANCE

The following is added to the second paragraph:

However, we will provide primary liability and uninsured motorist coverage for a vehicle *you* do not own if:

**A.** The vehicle is:

- (1) loaned by an auto repair facility or a dealer to *you* or any *family member*; or
- (2) rented temporarily by *you* or any *family member*;

for use as a temporary substitute while *your* vehicle is out of normal use because of its breakdown, repair, servicing, loss, or destruction; and

- B.** The agreement for the use of the loaned or rented vehicle contains a provision on the face of the agreement, in at least 10 point bold type, which states that the coverage on the vehicle being serviced or repaired is primary for the loaned or rented vehicle and the coverage maintained by the owner of the loaned or rented vehicle is secondary.

##### 3. CANCELLATION OR NONRENEWAL is deleted in its entirety and replaced with the following:

##### 3. CANCELLATION OR NONRENEWAL

- (a) **Nonrenewal.** We may decide not to renew this policy. If we do, *we'll* notify *you*, by certified mail, at least 45 days before this policy ends. *We'll* mail *our* notice to the address shown on the Declarations Page.
- (b) **Cancellation by you.** *You* may cancel this policy during the *policy period* for any reason. Simply mail *us* the policy or a written notice of the date *you* wish the cancellation to take effect.

**(c) Cancellation by us.** If we cancel this policy, we'll notify you in writing. We may cancel by mailing notice to the named insured shown in the Declarations Page at the address shown in the policy with:

1. at least 10 days notice by United States post office certificate of mail, if you haven't paid the premium;
2. at least 15 days notice by certified mail if notice is mailed during the first 45 days this policy is in effect and this is not a renewal or continuation policy;
3. at least 45 days notice, by certified mail, in all other cases.

After this policy is in effect for 45 days or, if this is a renewal or continuation policy, we may cancel only:

1. for nonpayment of premium; or
2. if you, or any family member's driver's license has been suspended or revoked.

This must have occurred during the *policy period* or, if the *policy period* is other than one year, since the last anniversary of the original effective date. However, if we decide to cancel for this reason, we will offer to continue the policy with a provision excluding coverage when the person or persons who have had their driver's license revoked are operating a covered vehicle. If you accept this offer, we will issue an endorsement to that effect.

3. if the policy was obtained through material misrepresentation.

**(d) Refund.** If the policy is cancelled, we'll refund the unearned premium within a reasonable time. We'll figure the refund pro rata.

## **5. LEGAL ACTION AGAINST US**

The second paragraph of this section is deleted and replaced by the following:

Under property coverage, an *insured person* agrees not to sue us later than three years after the date of the *occurrence*.