



July 22, 2003

**CIRCULAR LETTER TO ALL MEMBER COMPANIES**  
**VIA E-MAIL**

**Re: North Carolina Personal Auto Policy -  
Amendatory Endorsements NC 00 12 (Ed. 01 02) and  
NC 00 13 (Ed. 01 02)**

The Commissioner of Insurance has approved revisions to Endorsements NC 00 12 (Ed. 01- 02) and NC 00 13 (Ed. 01- 02) - Amendatory Endorsement - North Carolina filed on behalf of member companies of the North Carolina Rate Bureau and on behalf of the North Carolina Reinsurance Facility.

Enclosed are copies of revised Endorsements NC 00 12 (Ed. 06 - 03) and NC 00 13 (Ed. 06 - 03) which are designed to replace Endorsements NC 00 12 (Ed. 01 - 02) and Endorsement NC 00 13 (Ed. 01 - 02) as well as an Explanatory Memorandum. Also enclosed is a marked copy of the revised Endorsements, which show the changes that have been made in the Endorsements.

As a result of these changes, the following additional endorsements have been amended to reflect these changes:

<b>NC 03 07 06 03</b>	<b>Covered Property Coverage</b>
<b>NC 03 08 06 03</b>	<b>Coverage For Damage To Your Auto (Maximum Limit of Liability)</b>
<b>NC 03 18 06 03</b>	<b>Coverage For Damage To Your Auto (Maximum Limit of Liability, Including Customized Equipment Coverage)</b>
<b>NC 03 23 06 03</b>	<b>Miscellaneous Type Vehicle Endorsement</b>
<b>NC 03 30 06 03</b>	<b>Coverage For Rented Vehicles</b>

These changes are to become effective in accordance with the following Rule of Application:

These changes are applicable to all policies written on or after January 1, 2004.

The North Carolina Personal Auto Policy Program contains copyrighted material of Insurance Services Office used with their permission under a Limited Copyright License granted by Insurance Services Office to the North Carolina Rate Bureau and the North Carolina Reinsurance Facility. Under the terms of the Limited Copyright

**License the Rate Bureau and the Facility have copyrighted the materials included in the Personal Auto Policy Program, including the Manual and all forms, and member companies are advised that when they reprint, copy or otherwise use any materials included in this Program, the following notice must appear on the materials: "Copyright, North Carolina Rate Bureau, 2003." This Program may be used only by members of the North Carolina Rate Bureau and/or the North Carolina Reinsurance Facility, may be used only in North Carolina and may not be used outside this State.**

**It is our understanding that many of our member companies purchase their supplies of policies and endorsements from Uniform Printing and Supply, Hart Forms & Services or from Recording and Statistical. We have provided each of those firms with a copy of the amended policies and endorsements.**

**Please see to it that this circular is brought to the attention of all interested personnel in your company.**

**Very truly yours,**

**Wayne B. Hinton**

**Automobile Manager**

**WBH:dp**

**Enclosures**

**A-03-2**

## EXPLANATORY MEMORANDUM

NC 00 12(Ed. 06-03)  
NC 00 13(Ed. 06-03)

Amendatory Endorsement-Personal Auto Policy  
Amendatory Endorsement-Personal Auto Policy

We are proposing several changes in the North Carolina Personal Automobile Policy NC 00 01(Ed. 06-96). It is proposed that these changes be implemented through amendments to Amendatory Endorsements NC 00 12(Ed. 01-02) and NC 0 13(Ed. 01-02).

The following outlines the amendments included in Endorsements NC 00 12(Ed. 06-03) and NC 00 13(Ed. 06-03).

### PART D. – COVERAGE FOR DAMAGE TO YOUR AUTO

The first paragraph under the Insuring Agreement has been amended to include a statement that indicates that direct and accidental loss does not include any reduction in the value of the vehicle after it has been repaired as compared to the value before it was damaged. This change is a clarification of the current language as it has never been the intent of the Personal Auto Policy to cover the reduction in value after it has been repaired.

The Limit of Liability has also been amended to reflect this revision.

As a result of this change, the following additional endorsements have been amended to reflect this change:

NC 03 07 06 03	Covered Property Coverage
NC 03 08 06 03	Coverage For Damage To Your Auto (Maximum Limit of Liability)
NC 03 18 06 03	Coverage For Damage To Your Auto (Maximum Limit of Liability, Including Customized Equipment Coverage)
NC 03 23 06 03	Miscellaneous Type Vehicle Endorsement
NC 03 30 06 03	Coverage For Rented Vehicles

### GENERAL PROVISIONS

#### Choice of Law

A new section in the General Provisions is being added to indicate that this policy is being issued in accordance with the laws in North Carolina and that all claims and disputes related to this policy shall be governed by the laws in North Carolina.

## **WITHDRAWN FORMS**

NC 00 12 (Ed. 01-02)	Amendatory Endorsement-Personal Auto Policy
NC 00 13 (Ed. 01-02)	Amendatory Endorsement-Personal Auto Policy
NC 03 07 06 96	Covered Property Coverage
NC 03 08 06 96	Coverage For Damage To Your Auto (Maximum Limit of Liability)
NC 03 18 05 94	Coverage For Damage To Your Auto (Maximum Limit of Liability, Including Customized Equipment Coverage)
NC 03 23 01 99	Miscellaneous Type Vehicle Endorsement
NC 03 30 06 94	Coverage For Rented Vehicles

AMENDATORY  
ENDORSEMENT-  
NORTH  
CAROLINA  
PERSONAL  
AUTO  
POLICY

This Endorsement amends the Policy as follows:

I. DEFINITIONS

The Definitions Section is amended as follows:

A. The third paragraph is replaced by the following:

For the purposes of this policy, a private passenger type auto, pickup or van shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and
2. For a continuous period of at least 6 months.

B. The definition of **Your covered auto** is replaced by the following:

**"Your covered auto"** means:

1. Any vehicle shown in the Declarations.
2. A **newly acquired auto**.
3. Any **trailer** you own.
4. Any auto or **trailer** not owned by you while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
  - a. breakdown;
  - b. repair;
  - c. servicing;
  - d. loss; or
  - e. destruction.

This provision (4.) does not apply to Part D - Coverage For Damage To Your Auto.

C. The following definition of **Newly acquired auto** is added:

**"Newly acquired auto"** means any of the following types of vehicles you become the owner of during the policy period:

1. a private passenger auto or station wagon type;  
or
2. a pickup truck or van that:

- a. has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds; and
- b. is not used for the delivery or transportation of goods and materials unless such use is:
  - (1) incidental to your **business** of installing, maintaining or repairing furnishings or equipment; or
  - (2) for farming or ranching.

Any coverage for a **newly acquired auto** is subject to the following:

- 1. If a **newly acquired auto** replaces a vehicle shown in the Declarations, it will have the same coverage as the vehicle it replaced except that coverage, if any, under Part D - Coverage For Damage To Your Auto applies only if you ask us to insure it within 30 days after you become the owner.
- 2. If a **newly acquired auto** is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations if you ask us to insure it within 30 days after you become the owner.
- 3. Coverage under this policy terminates for any **newly acquired auto** on the effective date and time of a policy (other than this policy) issued by us or any other company that describes such vehicle on its declarations page.

4. If you ask us to insure a **newly acquired auto** within the applicable specified time period described in 1. or 2. above, any coverage we provide for the **newly acquired auto** begins on the date you become the owner. If you ask us to insure a **newly acquired auto** after the applicable specified time period described above has elapsed, any coverage we provide for the **newly acquired auto** will begin at the time you request the coverage. You must pay us any added amount due for any coverage we provide for a **newly acquired auto**.

## II. PART A - LIABILITY COVERAGE

Part A is amended as follows:

- A. Paragraphs 2. and 5. of the Supplementary Payments provision are replaced by the following:

2. Premiums on appeal bonds and bonds to release attachments in any suit we defend. We have no duty to purchase bonds in an amount exceeding our Limit of Liability, and we have no duty to apply for or furnish these bonds.
5. Expenses incurred by an insured for emergency first aid to others performed at the scene of an accident that involves any auto covered by this policy.

- B. The following is added to Exclusion A.8.:

This Exclusion A.8. does not apply to a **family member** using **your covered auto** which is owned by you.

## III. PART B - MEDICAL PAYMENTS COVERAGE

Part B. is amended as follows:

- A. The following is added to Exclusion 6.

This Exclusion 6. does not apply to a **family member** using **your covered auto** which is owned by you.

- B. Exclusion 11. is replaced by the following:

11. Sustained while **occupying** any motorized vehicle having fewer than four wheels.

IV. PART C1 - UNINSURED MOTORISTS COVERAGE

Part C1 is amended as follows:

A. The following is added to Exclusion A.3.:

This Exclusion A.3. does not apply to a **family member** using **your covered auto** which is owned by you.

B. The following Exclusion C. is added:

C. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or any similar law:

- a. workers' compensation law; or
- b. disability benefits law.

C. The third paragraph of the Limit of Liability provision is replaced by the following:

The limit of liability otherwise applicable under this coverage shall be reduced by all sums:

1. Paid because of the **bodily injury** or **property damage** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A;
2. Paid or payable because of the **bodily injury** under any workers' compensation law. However, this reduction does not apply to the extent that an employer's lien is required to be paid under North Carolina's workers' compensation law; and
3. Paid or payable because of the bodily injury under any disability benefits law or any similar law.

D. The following OUR RIGHT TO RECOVER PAYMENT provision is added:

OUR RIGHT TO RECOVER PAYMENT

A. If we make a payment under this coverage and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. Further, the execution of a covenant not to enforce judgment by the injured party shall not preclude us from



pursuing our right to sue for or otherwise recover any payment made under this coverage from anyone else who may be liable. The person to or for whom payment was made shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

B. If we make a payment under this coverage 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.

V. PART C2 - COMBINED UNINSURED/UNDERINSURED MOTORISTS COVERAGE

Part C2 is amended as follows:

A. The following is added to Exclusion A.3.:

This Exclusion A.3. does not apply to a **family member** using **your covered auto** which is owned by you.

B. The following is added to Exclusion C.3,;

This Exclusion C.3. does not apply to a **family member** using **your covered auto** which is owned by you.

C. The following Exclusion D. is added:

D. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or any similar law:

- a. workers' compensation law; or
- b. disability benefits law.

D. The Limit of Liability provision is replaced by the following:

LIMIT OF LIABILITY

The limit of bodily injury liability shown in the Declarations for each person for Combined Uninsured/Underinsured Motorists Coverage is our maximum limit of liability for all damages for **bodily injury**, including damages for care, loss of services or death, sustained by any one person in any one auto accident.

Subject to this limit for each person, the limit of bodily injury liability shown in the Declarations for each accident for Combined Uninsured/Underinsured Motorists Coverage is our maximum limit of liability for all damages for **bodily injury** resulting from any one accident. The limit of property damage liability shown in the Declarations for each accident for Combined Uninsured/Underinsured Motorists Coverage is our maximum limit of liability for all damages for **property damage** caused by an **uninsured motor vehicle** and resulting from any one accident.

This is the most we will pay for **bodily injury** and **property damage** regardless of the number of:

1. **Insureds;**
2. Claims made;
3. Vehicles or premiums shown in the Declarations;  
or
4. Vehicles involved in the accident.

The limits of bodily injury liability shown in the Declarations for each person and each accident for this coverage shall be reduced by all sums:

1. Paid because of the **bodily injury** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A;
2. Paid or payable because of the **bodily injury** under any workers' compensation law. However, this reduction does not apply to the extent that an employer's lien is required to be paid under North Carolina's workers' compensation law; and
3. Paid or payable because of the **bodily injury** under any disability benefits law or any similar law.

The most we will pay for **bodily injury** damages to an **insured** under this coverage is the lesser of:

- a. the limit of bodily injury liability shown in the Declarations for each person for this coverage reduced by all sums described in items 1., 2. and 3. of the preceding paragraph; or
- b. the damages sustained by the **insured** for **bodily injury** reduced by all sums described in items 1., 2. and 3. in the preceding paragraph.

The limit of property damage liability under this coverage shall be reduced by all sums paid because of the **property damage** by or on behalf of persons or organizations who may be legally responsible. This includes all sums payable under Part A.

No payment will be made for loss paid or payable to the **insured** under Part D or any policy of property insurance.

Any payment to any person under this coverage will reduce any amount that person is entitled to recover for the same damages under Part A.

This coverage is excess over and shall not duplicate any amount paid or payable under Part B.

- E. The following OUR RIGHT TO RECOVER PAYMENT provision is added:

OUR RIGHT TO RECOVER PAYMENT

A. If we make a payment under this coverage and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. Further, the execution of a covenant not to enforce judgment by the injured party shall not preclude us from pursuing our right to sue for or otherwise recover any payment made under this coverage from anyone else who may be liable. The person to or for whom payment was made shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

However, our rights under this paragraph do not apply against the owner or operator of an **underinsured motor vehicle** if we have been given written notice in advance of a settlement and fail to advance payment in an amount equal to the tentative settlement within 30 days following receipt of such notice.

B. If we make a payment under this coverage 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.

VI. PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

The first paragraph under INSURING AGREEMENT is changed to read:

We will pay for direct and accidental loss to **your covered auto** or any **non-owned auto**, including their equipment. Direct and accidental loss does not include any reduction in the value of any vehicle after it has been repaired, as compared to its value before it was damaged.

The fourth paragraph under the Insuring Agreement is replaced by the following:

Our payment will be reduced by any deductible shown in the Declarations. The deductible will not apply to a loss caused by:

- a. fire or lightning;
- b. smoke due to a sudden, unusual and faulty operation of any fixed heating equipment serving the premises in which the auto is stored;
- c. the stranding, sinking, burning, **collision**, or derailment of any conveyance in or on which the auto is being transported.

The provision titled LIMIT OF LIABILITY is changed to read:

LIMIT OF LIABILITY

Our limit of liability will be the lesser of the:

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

This amount does not include any reduction in the value of the property after it has been repaired, as compared to its value before it was damaged.

Subject to the above, our limit of liability for loss to:

1. Personal effects is \$100; and
2. A **trailer** not owned by you is \$500.

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of loss.

VII. PART F - GENERAL PROVISIONS

Part F is amended as follows:

- A. The second paragraph of the Fraud In Connection With Accident Or Loss provision is replaced by the following:

This provision applies to Part A - Liability Coverage to the extent that the limits of liability exceed the minimum limits required by the Financial Responsibility Law of North Carolina.

- B. The Our Right To Recover Payment provision is replaced by the following:

OUR RIGHT TO RECOVER PAYMENT

- A. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

However, our rights under this paragraph do not apply to:

1. Part B;
  2. Parts C1 and C2, as those parts contain separate provisions which state our right to recover payment under those Parts;
  3. Part D, against any person using **your covered auto** with a reasonable belief that that person is entitled to do so.
- 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.

However, our rights under this paragraph do not apply to Part B.

- C. The OTHER TERMINATION provisions section is replaced by the following:

OTHER TERMINATION PROVISIONS

1. If the law in effect in North Carolina at the time this policy is issued, renewed or continued:
  - a. requires a longer notice period;
  - b. requires a special form of or procedure for giving notice; or
  - c. modifies any of the stated termination reasons;

we will comply with those requirements.

2. Proof of mailing of any notice shall be sufficient proof of notice.

3. If the Named Insured or a premium finance company cancels this policy, the premium owed or premium refund due will be calculated according to the short rate provisions contained in our manuals. If we cancel this policy, any premium owed or premium refund will be calculated on a pro-rata basis. However, making or offering to make the refund is not a condition of cancellation.
4. The effective date of cancellation stated in the notice shall become the end of the policy period.

D. The following AUTO REPAIRS provision is added:

AUTO REPAIRS

WE shall not recommend the use of a particular motor vehicle repair service without clearly informing the claimant that:

- (i) the claimant is under no obligation to use the recommended repair service;
- (ii) the claimant may use the repair service of the claimant's choice; and
- (iii) the amount determined by us to be payable under the policy will be paid regardless of whether or not the claimant uses the recommended repair service.

E. The following CHOICE OF LAW provision is added:

Choice of Law

This policy is issued in accordance with the laws of North Carolina and covers property or risks principally located in North Carolina. Any and all claims or disputes in any way related to this policy shall be governed by the laws of North Carolina.



AMENDATORY  
ENDORSEMENT-  
NORTH  
CAROLINA  
PERSONAL  
AUTO  
POLICY

This Endorsement amends the Policy as follows:

I. DEFINITIONS

The Definitions Section is amended as follows:

A. The third paragraph is replaced by the following:

For the purposes of this policy, a private passenger type auto, pickup or van shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and
2. For a continuous period of at least 6 months.

B. The definition of **Your covered auto** is replaced by the following:

**"Your covered auto"** means:

1. Any vehicle shown in the Declarations.
2. A **newly acquired auto**.
3. Any **trailer** you own.

C. The following definition of **Newly acquired auto** is added:

**"Newly acquired auto"** means any of the following types of vehicles you become the owner of during the policy period:

1. a private passenger auto or station wagon type;  
or
2. a pickup truck or van that:
  - a. has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds; and
  - b. is not used for the delivery or transportation of goods and materials unless such use is:

- (1) incidental to your **business** of installing, maintaining or repairing furnishings or equipment; or
- (2) for farming or ranching.

Any coverage for a **newly acquired auto** is subject to the following:

1. If a **newly acquired auto** replaces a vehicle shown in the Declarations, it will have the same coverage as the vehicle it replaced if you ask us to insure it within 30 days after you become the owner.
2. If a **newly acquired auto** is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations if you ask us to insure it within 30 days after you become the owner.
3. Coverage under this policy terminates for any **newly acquired auto** on the effective date and time of a policy (other than this policy) issued by us or any other company that describes such vehicle on its declarations page.
4. If you ask us to insure a **newly acquired auto** within the applicable specified time period described in 1. or 2. above, any coverage we provide for the **newly acquired auto** begins on the date you become the owner. If you ask us to insure a **newly acquired auto** after the applicable specified time period described above has elapsed, any coverage we provide for the **newly acquired auto** will begin at the time you request the coverage. You must pay us any added amount due for any coverage we provide for a **newly acquired auto**.

II. PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

The first paragraph under INSURING AGREEMENT is changed to read:

We will pay for direct and accidental loss to **your covered auto** or any **non-owned auto**, including their equipment. Direct and accidental loss does not include any reduction in the value of any vehicle after it has been repaired, as compared to its value before it was damaged.

The fourth paragraph under the Insuring Agreement is replaced by the following:

Our payment will be reduced by any deductible shown in the Declarations. The deductible will not apply to a loss caused by:

- a. fire or lightning;
- b. smoke due to a sudden, unusual and faulty operation of any fixed heating equipment serving the premises in which the auto is stored;
- c. the stranding, sinking, burning, **collision**, or derailment of any conveyance in or on which the auto is being transported.

The provision titled LIMIT OF LIABILITY is changed to read:

LIMIT OF LIABILITY

Our limit of liability will be the lesser of the:

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

This amount does not include any reduction in the value of the property after it has been repaired, as compared to its value before it was damaged.

Subject to the above, our limit of liability for loss to:

1. Personal effects is \$100; and
2. A **trailer** not owned by you is \$500.

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of loss.

III. PART F - GENERAL PROVISIONS

- A. The OTHER TERMINATION provisions section is replaced by the following:

OTHER TERMINATION PROVISIONS

1. If the law in effect in North Carolina at the time this policy is issued, renewed or continued:

- a. requires a longer notice period;
- b. requires a special form of or procedure for giving notice; or
- c. modifies any of the stated termination reasons;

we will comply with those requirements.

2. Proof of mailing of any notice shall be sufficient proof of notice.
3. If the Named Insured or a premium finance company cancels this policy, the premium owed or premium refund due will be calculated according to the short rate provisions contained in our manuals. If We cancel this policy, any premium owed or premium refund will be calculated on a pro-rata basis. However, making or offering to make the refund is not a condition of cancellation.
4. The effective date of cancellation stated in the notice shall become the end of the policy period.

B. The following AUTO REPAIRS provision is added:

AUTO REPAIRS

WE shall not recommend the use of a particular motor vehicle repair service without clearly informing the claimant that:

- (i) the claimant is under no obligation to use the recommended repair service;
- (ii) the claimant may use the repair service of their choice; and
- (iii) the amount determined by us to be payable under the policy will be paid regardless of whether or not the claimant uses the recommended repair service.

C. The following CHOICE OF LAW provision is added:

Choice of Law

This policy is issued in accordance with the laws of North Carolina and covers property or risks principally located in North Carolina. Any and all claims or disputes in any way related to this policy shall be governed by the laws of North Carolina.

Material in [brackets] is deleted; material underlined is new.

AMENDATORY  
ENDORSEMENT-  
NORTH  
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PERSONAL  
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POLICY

This Endorsement amends the Policy as follows:

I. DEFINITIONS

The Definitions Section is amended as follows:

A. The third paragraph is replaced by the following:

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1. Under a written agreement to that person; and
2. For a continuous period of at least 6 months.

B. The definition of **Your covered auto** is replaced by the following:

**"Your covered auto"** means:

1. Any vehicle shown in the Declarations.
2. A **newly acquired auto**.
3. Any **trailer** you own.
4. Any auto or **trailer** not owned by you while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
  - a. breakdown;
  - b. repair;
  - c. servicing;
  - d. loss; or
  - e. destruction.

This provision (4.) does not apply to Part D - Coverage For Damage To Your Auto.

C. The following definition of **Newly acquired auto** is added:

**"Newly acquired auto"** means any of the following types of vehicles you become the owner of during the policy period:

1. a private passenger auto or station wagon type;

or

2. a pickup truck or van that:
  - a. has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds; and
  - b. is not used for the delivery or transportation of goods and materials unless such use is:
    - (1) incidental to your **business** of installing, maintaining or repairing furnishings or equipment; or
    - (2) for farming or ranching.

Any coverage for a **newly acquired auto** is subject to the following:

1. If a **newly acquired auto** replaces a vehicle shown in the Declarations, it will have the same coverage as the vehicle it replaced except that coverage, if any, under Part D - Coverage For Damage To Your Auto applies only if you ask us to insure it within 30 days after you become the owner.
2. If a **newly acquired auto** is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations if you ask us to insure it within 30 days after you become the owner.
3. Coverage under this policy terminates for any **newly acquired auto** on the effective date and time of a policy (other than this policy) issued by us or any other company that describes such vehicle on its declarations page.

4. If you ask us to insure a **newly acquired auto** within the applicable specified time period described in 1. or 2. above, any coverage we provide for the **newly acquired auto** begins on the date you become the owner. If you ask us to insure a **newly acquired auto** after the applicable specified time period described above has elapsed, any coverage we provide for the **newly acquired auto** will begin at the time you request the coverage. You must pay us any added amount due for any coverage we provide for a **newly acquired auto**.

II. PART A - LIABILITY COVERAGE

Part A is amended as follows:

- A. Paragraphs 2. and 5. of the Supplementary Payments provision are replaced by the following:
  2. Premiums on appeal bonds and bonds to release attachments in any suit we defend. We have no duty to purchase bonds in an amount exceeding our Limit of Liability, and we have no duty to apply for or furnish these bonds.
  5. Expenses incurred by an insured for emergency first aid to others performed at the scene of an accident that involves any auto covered by this policy.
- B. The following is added to Exclusion A.8.:

This Exclusion A.8. does not apply to a **family member** using **your covered auto** which is owned by you.

III. PART B - MEDICAL PAYMENTS COVERAGE

Part B. is amended as follows:

- A. The following is added to Exclusion 6.

This Exclusion 6. does not apply to a **family member** using **your covered auto** which is owned by you.

- B. Exclusion 11. is replaced by the following:

11. Sustained while **occupying** any motorized vehicle having fewer than four wheels.



IV. PART C1 - UNINSURED MOTORISTS COVERAGE

Part C1 is amended as follows:

A. The following is added to Exclusion A.3.:

This Exclusion A.3. does not apply to a **family member** using **your covered auto** which is owned by you.

B. The following Exclusion C. is added:

C. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or any similar law:

- a. workers' compensation law; or
- b. disability benefits law.

C. The third paragraph of the Limit of Liability provision is replaced by the following:

The limit of liability otherwise applicable under this coverage shall be reduced by all sums:

1. Paid because of the **bodily injury** or **property damage** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A;
2. Paid or payable because of the **bodily injury** under any workers' compensation law. However, this reduction does not apply to the extent that an employer's lien is required to be paid under North Carolina's workers' compensation law; and
3. Paid or payable because of the bodily injury under any disability benefits law or any similar law.

D. The following OUR RIGHT TO RECOVER PAYMENT provision is added:

OUR RIGHT TO RECOVER PAYMENT

A. If we make a payment under this coverage and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. Further, the execution of a covenant not to enforce judgment by the injured party shall not preclude us from

pursuing our right to sue for or otherwise recover any payment made under this coverage from anyone else who may be liable. The person to or for whom payment was made shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

B. If we make a payment under this coverage 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.

V. PART C2 - COMBINED UNINSURED/UNDERINSURED MOTORISTS COVERAGE

Part C2 is amended as follows:

A. The following is added to Exclusion A.3.:

This Exclusion A.3. does not apply to a **family member** using **your covered auto** which is owned by you.

B. The following is added to Exclusion C.3,;

This Exclusion C.3. does not apply to a **family member** using **your covered auto** which is owned by you.

C. The following Exclusion D. is added:

D. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or any similar law:

- a. workers' compensation law; or
- b. disability benefits law.

D. The Limit of Liability provision is replaced by the following:

LIMIT OF LIABILITY

The limit of bodily injury liability shown in the Declarations for each person for Combined Uninsured/Underinsured Motorists Coverage is our maximum limit of liability for all damages for **bodily injury**, including damages for care, loss of services or death, sustained by any one person in any one auto accident.

Subject to this limit for each person, the limit of bodily injury liability shown in the Declarations for each accident for Combined Uninsured/Underinsured Motorists Coverage is our maximum limit of liability for all damages for **bodily injury** resulting from any one accident. The limit of property damage liability shown in the Declarations for each accident for Combined Uninsured/Underinsured Motorists Coverage is our maximum limit of liability for all damages for **property damage** caused by an **uninsured motor vehicle** and resulting from any one accident.

This is the most we will pay for **bodily injury** and **property damage** regardless of the number of:

1. **Insureds;**
2. Claims made;
3. Vehicles or premiums shown in the Declarations;  
or
4. Vehicles involved in the accident.

The limits of bodily injury liability shown in the Declarations for each person and each accident for this coverage shall be reduced by all sums:

1. Paid because of the **bodily injury** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A;
2. Paid or payable because of the **bodily injury** under any workers' compensation law. However, this reduction does not apply to the extent that an employer's lien is required to be paid under North Carolina's workers' compensation law; and
3. Paid or payable because of the **bodily injury** under any disability benefits law or any similar law.

The most we will pay for **bodily injury** damages to an **insured** under this coverage is the lesser of:

- a. the limit of bodily injury liability shown in the Declarations for each person for this coverage reduced by all sums described in items 1., 2. and 3. of the preceding paragraph; or
- b. the damages sustained by the **insured** for **bodily injury** reduced by all sums described in items 1., 2. and 3. in the preceding paragraph.

The limit of property damage liability under this coverage shall be reduced by all sums paid because of the **property damage** by or on behalf of persons or organizations who may be legally responsible. This includes all sums payable under Part A.

No payment will be made for loss paid or payable to the **insured** under Part D or any policy of property insurance.

Any payment to any person under this coverage will reduce any amount that person is entitled to recover for the same damages under Part A.

This coverage is excess over and shall not duplicate any amount paid or payable under Part B.

- E. The following OUR RIGHT TO RECOVER PAYMENT provision is added:

OUR RIGHT TO RECOVER PAYMENT

- A. If we make a payment under this coverage and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. Further, the execution of a covenant not to enforce judgment by the injured party shall not preclude us from pursuing our right to sue for or otherwise recover any payment made under this coverage from anyone else who may be liable. The person to or for whom payment was made shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

However, our rights under this paragraph do not apply against the owner or operator of an **underinsured motor vehicle** if we have been given written notice in advance of a settlement and fail to advance payment in an amount equal to the tentative settlement within 30 days following receipt of such notice.

- B. If we make a payment under this coverage 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.

VI. PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

The first paragraph under INSURING AGREEMENT is changed to read:

We will pay for direct and accidental loss to **your covered auto** or any **non-owned auto**, including their equipment. Direct and accidental loss does not include any reduction in the value of any vehicle after it has been repaired, as compared to its value before it was damaged.

The fourth paragraph under the Insuring Agreement is replaced by the following:

Our payment will be reduced by any deductible shown in the Declarations. The deductible will not apply to a loss caused by:

- a. fire or lightning;
- b. smoke due to a sudden, unusual and faulty operation of any fixed heating equipment serving the premises in which the auto is stored;
- c. the stranding, sinking, burning, **collision**, or derailment of any conveyance in or on which the auto is being transported.

The provision titled LIMIT OF LIABILITY is changed to read:

LIMIT OF LIABILITY

Our limit of liability will be the lesser of the:

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

This amount does not include any reduction in the value of the property after it has been repaired, as compared to its value before it was damaged.

Subject to the above, our limit of liability for loss to:

1. Personal effects is \$100; and
2. A **trailer** not owned by you is \$500.

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of loss.

VII. PART F - GENERAL PROVISIONS

Part F is amended as follows:

- A. The second paragraph of the Fraud In Connection With Accident Or Loss provision is replaced by the following:

This provision applies to Part A - Liability Coverage to the extent that the limits of liability exceed the minimum limits required by the Financial Responsibility Law of North Carolina.

- B. The Our Right To Recover Payment provision is replaced by the following:

OUR RIGHT TO RECOVER PAYMENT

- A. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

However, our rights under this paragraph do not apply to:

1. Part B;
  2. Parts C1 and C2, as those parts contain separate provisions which state our right to recover payment under those Parts;
  3. Part D, against any person using **your covered auto** with a reasonable belief that that person is entitled to do so.
- 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.

However, our rights under this paragraph do not apply to Part B.

- C. The OTHER TERMINATION provisions section is replaced by the following:

OTHER TERMINATION PROVISIONS

1. If the law in effect in North Carolina at the time this policy is issued, renewed or continued:
  - a. requires a longer notice period;
  - b. requires a special form of or procedure for giving notice; or
  - c. modifies any of the stated termination reasons;

we will comply with those requirements.

2. Proof of mailing of any notice shall be sufficient proof of notice.



3. If the Named Insured or a premium finance company cancels this policy, the premium owed or premium refund due will be calculated according to the short rate provisions contained in our manuals. If we cancel this policy, any premium owed or premium refund will be calculated on a pro-rata basis. However, making or offering to make the refund is not a condition of cancellation.
  4. The effective date of cancellation stated in the notice shall become the end of the policy period.
- D. The following AUTO REPAIRS provision is added:

AUTO REPAIRS

WE shall not recommend the use of a particular motor vehicle repair service without clearly informing the claimant that:

- (i) the claimant is under no obligation to use the recommended repair service;
  - (ii) the claimant may use the repair service of the claimant's choice; and
  - (iii) the amount determined by us to be payable under the policy will be paid regardless of whether or not the claimant uses the recommended repair service.
- E. The following CHOICE OF LAW provision is added:

Choice of Law

This policy is issued in accordance with the laws of North Carolina and covers property or risks principally located in North Carolina. Any and all claims or disputes in any way related to this policy shall be governed by the laws of North Carolina.

[This Endorsement must be attached to all Personal Auto Policies NC 00 01 (Ed. 6-96) written on and after April 1, 2002. If a company wishes to do so, this Endorsement may be incorporated into company policies that are written on and after April 1, 2002. Companies exercising this option shall properly identify their reprinted policy.]

Material in [brackets] is deleted; material underlined is new.

AMENDATORY  
ENDORSEMENT-  
NORTH  
CAROLINA  
PERSONAL  
AUTO  
POLICY

This Endorsement amends the Policy as follows:

I. DEFINITIONS

The Definitions Section is amended as follows:

A. The third paragraph is replaced by the following:

For the purposes of this policy, a private passenger type auto, pickup or van shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and
2. For a continuous period of at least 6 months.

B. The definition of **Your covered auto** is replaced by the following:

**"Your covered auto"** means:

1. Any vehicle shown in the Declarations.
2. A **newly acquired auto**.
3. Any **trailer** you own.

C. The following definition of **Newly acquired auto** is added:

**"Newly acquired auto"** means any of the following types of vehicles you become the owner of during the policy period:

1. a private passenger auto or station wagon type;  
or
2. a pickup truck or van that:
  - a. has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds; and
  - b. is not used for the delivery or transportation of goods and materials unless such use is:

- (1) incidental to your **business** of installing, maintaining or repairing furnishings or equipment; or
- (2) for farming or ranching.

Any coverage for a **newly acquired auto** is subject to the following:

1. If a **newly acquired auto** replaces a vehicle shown in the Declarations, it will have the same coverage as the vehicle it replaced if you ask us to insure it within 30 days after you become the owner.
2. If a **newly acquired auto** is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations if you ask us to insure it within 30 days after you become the owner.
3. Coverage under this policy terminates for any **newly acquired auto** on the effective date and time of a policy (other than this policy) issued by us or any other company that describes such vehicle on its declarations page.
4. If you ask us to insure a **newly acquired auto** within the applicable specified time period described in 1. or 2. above, any coverage we provide for the **newly acquired auto** begins on the date you become the owner. If you ask us to insure a **newly acquired auto** after the applicable specified time period described above has elapsed, any coverage we provide for the **newly acquired auto** will begin at the time you request the coverage. You must pay us any added amount due for any coverage we provide for a **newly acquired auto**.

II. PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

The first paragraph under INSURING AGREEMENT is changed to read:

We will pay for direct and accidental loss to **your covered auto** or any **non-owned auto**, including their equipment. Direct and accidental loss does not include any reduction in the value of any vehicle after it has been repaired, as compared to its value before it was damaged.

The fourth paragraph under the Insuring Agreement is replaced by the following:

Our payment will be reduced by any deductible shown in the Declarations. The deductible will not apply to a loss caused by:

- a. fire or lightning;
- b. smoke due to a sudden, unusual and faulty operation of any fixed heating equipment serving the premises in which the auto is stored;
- c. the stranding, sinking, burning, **collision**, or derailment of any conveyance in or on which the auto is being transported.

The provision titled LIMIT OF LIABILITY is changed to read:

LIMIT OF LIABILITY

Our limit of liability will be the lesser of the:

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

This amount does not include any reduction in the value of the property after it has been repaired, as compared to its value before it was damaged.

Subject to the above, our limit of liability for loss to:

1. Personal effects is \$100; and
2. A **trailer** not owned by you is \$500.

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of loss.

III. PART F - GENERAL PROVISIONS

- A. The OTHER TERMINATION provisions section is replaced by the following:

OTHER TERMINATION PROVISIONS

1. If the law in effect in North Carolina at the time this policy is issued, renewed or continued:
  - a. requires a longer notice period;
  - b. requires a special form of or procedure for giving notice; or
  - c. modifies any of the stated termination reasons;we will comply with those requirements.
2. Proof of mailing of any notice shall be sufficient proof of notice.
3. If the Named Insured or a premium finance company cancels this policy, the premium owed or premium refund due will be calculated according to the short rate provisions contained in our manuals. If We cancel this policy, any premium owed or premium refund will be calculated on a pro-rata basis. However, making or offering to make the refund is not a condition of cancellation.
4. The effective date of cancellation stated in the notice shall become the end of the policy period.

B. The following AUTO REPAIRS provision is added:

AUTO REPAIRS

WE shall not recommend the use of a particular motor vehicle repair service without clearly informing the claimant that:

- (i) the claimant is under no obligation to use the recommended repair service;
- (ii) the claimant may use the repair service of the their choice; and
- (iii) the amount determined by us to be payable under the policy will be paid regardless of whether or not the claimant uses the recommended repair service.

C. The following CHOICE OF LAW provision is added:

Choice of Law

This policy is issued in accordance with the laws of North Carolina and covers property or risks principally located in North Carolina. Any and all claims or disputes in any way related to this policy shall be governed by the laws of North Carolina.

[This Endorsement must be attached to all Personal Auto Policies NC 00 02 (Ed. 6-96) written on and after April 1, 2002. If a company wishes to do so, this Endorsement may be incorporated into company policies that are written on and after April 1, 2002. Companies exercising this option shall properly identify their reprinted policy.]

Material in [brackets] is deleted; material underlined is new.

### COVERED PROPERTY COVERAGE

NC 03 07  
(Ed. [06-96]06-03)

#### SCHEDULE

Your Covered Auto(s)	Amount for all Covered Property	Deductible	Premium
_____	\$ _____	\$ _____	\$ _____
-	-	-	-
_____	\$ _____	\$ _____	\$ _____
-	-	-	-

With respect to the coverage provided by this endorsement, the provisions of the policy apply unless modified by this endorsement.

- A. Exclusion 8. of Part D - Coverage for Damage to Your Auto does not apply to coverage provided by this endorsement. Limit of Liability of Part D is replaced by the following:

#### LIMIT OF LIABILITY

- B. We will pay for direct and accidental loss to "covered property" while it is in or attached to the auto shown in the Schedule or in the Declarations for which a specific premium charge indicates that Covered Property Coverage is provided. Direct and accidental loss does not include any reduction in the value of the "covered property" after it has been repaired, as compared to its value before it was damaged.
- Our limit of liability for loss will be the lesser of the:
1. Amount shown in the Schedule or in the Declarations;
  2. Actual cash value of the stolen or damaged property; or
  3. Amount necessary to repair or replace the property with other property of like kind and quality.

This amount does not include any reduction in the value of the "covered property" after it has been repaired, as compared to its value before it was damaged.

"Covered property" means awnings, cabanas or equipment designed to create additional living facilities.

- C. We will not pay for:
1. Loss to business or office equipment.
  2. Loss to articles which are sales samples or used in exhibitions.
- Our payment for loss will be reduced by any applicable deductible shown in the Schedule or in the Declarations.
- An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of loss.
- D. With respect to coverage under this endorsement, the

NC 03 07  
(Ed. [06-96]06-03)

Material in [brackets] is deleted; material underlined is new.

NC 03 08  
(Ed. [06-96]06-03)

Coverage For Damage To  
Your Auto(Maximum Limit  
of Liability)

**SCHEDULE**

Description of Vehicle	Limit Of Liability		Premium	
	Collision	Other Than Collision	Collision	Other Than Collision
	\$ _____ Less \$ _____ Ded.	\$ _____ Less \$ _____ Ded.	\$ _____	\$ _____
	\$ _____ Less \$ _____ Ded.	\$ _____ Less \$ _____ Ded.	\$ _____	\$ _____
	\$ _____ Less \$ _____ Ded.	\$ _____ Less \$ _____ Ded.	\$ _____	\$ _____

With respect to the Coverage(s) shown as applicable to a vehicle described in the Schedule or in the Declarations, the Limit of Liability provision in Part D is replaced by the following:

**LIMIT OF LIABILITY**

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

1. Amount shown in the Schedule or in the Declarations;
2. Actual cash value of the stolen or damaged property; or
3. Amount necessary to repair or replace the property with other property of like kind and quality.

This amount does not include any reduction in the value of the property after it has been repaired, as compared to its value before it was damaged.

Our payment for loss will be reduced by any applicable deductible shown in the Schedule or in the Declarations. The maximum amount payable is the Limit of Liability less the applicable deductible.

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of loss.



Material in [brackets] is deleted; material underlined is new.



COVERAGE FOR DAMAGE TO YOUR AUTO  
(Maximum Limit of Liability, Including Customizing Equipment Coverage)

All the provisions of the policy apply to the coverage provided by this Endorsement except as modified herein.

SCHEDULE

Description Of Vehicle	Limit of Liability (including coverage for customizing equipment)		Premium	
	Collision	Other Than Collision	Collision	Other Than Collision
	\$ _____ Less \$ _____ Ded.	\$ _____ Less \$ _____ Ded.	\$ _____	\$ _____
	\$ _____ Less \$ _____ Ded.	\$ _____ Less \$ _____ Ded.	\$ _____	\$ _____
	\$ _____ Less \$ _____ Ded.	\$ _____ Less \$ _____ Ded.	\$ _____	\$ _____

The provisions of Part D - Coverage For Damage to Your Auto are modified as follows with respect to the coverages and vehicles shown in the Schedule or in the Declarations as subject to the coverage provided by this endorsement:

A. The Insuring Agreement in Part D is replaced by the following:

INSURING AGREEMENT

We will pay for direct and accidental loss to:

1. **your covered auto;** or
2. any **non-owned auto.**

including their equipment. Direct and accidental loss does not include any reduction in the value of any vehicle after it has been repaired, as compared to its value before it was damaged. Except as excluded, as used in this endorsement, equipment shall include custom furnishings or custom equipment including, but not limited to:

- a. special carpeting and insulation, furniture or bars;
- b. facilities for cooking and sleeping;
- c. height extending roofs or ladders;
- d. custom windows, murals, paintings or other decals or graphics;
- e. tool boxes and fifth wheel conversions;
- f. side exhausts and headers;

- g. winches and roll bars;
- h. special wheels/tires (off-road or competition); or
- i. body or suspension alterations.

We will pay for loss to **your covered auto** caused by:

1. Other than collision only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
2. **Collision** only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a **non-owned auto**, we will provide the broadest coverage applicable to any **your covered auto** shown in the Declarations.

Our payment will be reduced by any deductible shown in the Declarations. The deductible will not apply to a loss caused by:

- a. fire or lightning;
- b. smoke due to a sudden, unusual and faulty operation of any fixed heating equipment serving the premises in which the auto is stored;
- c. the stranding, sinking, burning, **collision** or derailment of any conveyance in or on which the auto is being transported;
- d. **collision** with another auto insured by us.

"**Collision**" means the upset of **your covered auto** or a **non-owned auto** or their impact with another vehicle or object.

Loss caused by the following is considered other than **collision**:

- |                                 |                                     |
|---------------------------------|-------------------------------------|
| 1. Missiles or falling objects; | 6. Hail, water or flood;            |
| 2. Fire;                        | 7. Malicious mischief or vandalism; |
| 3. Theft or larceny;            | 8. Riot or civil commotion;         |
| 4. Explosion or earthquake;     | 9. Contact with bird or animal; or  |
| 5. Windstorm;                   | 10. Breakage of glass.              |

If loss is caused by contact with a bird or animal, or if breakage of glass is caused by **collision**, you may elect to have either loss considered to be caused by **collision**.

"**Non-owned auto**" means:

1. Any private passenger auto, station wagon type, pickup truck, van or **trailer** not owned by or furnished or available for the regular use of you or any **family member** while in the custody of or being operated by you or any **family member**.
2. Any auto or **trailer** you do not own while used as a temporary substitute for **your covered auto** which is out of normal use because of its:
  - a. breakdown;
  - b. repair;
  - c. servicing;
  - d. loss; or
  - e. destruction.

We will also pay for direct and accidental loss caused by fire or lightning to clothes or other personal effects:

1. which are owned by you or any **family member**; and
2. which are in or on **your covered auto**.

B. Exclusion 12. in Part D is replaced by the following:

We will not pay for loss to any custom furnishings or custom equipment in or upon a pickup truck or van which is a "your covered auto" not described in the Schedule or Declarations as subject to the coverage provided by this Endorsement.

C. The Limit of Liability provision in Part D is replaced by the following:

LIMIT OF LIABILITY

Our limit of liability for loss shall be the lesser of the:

1. Amount shown in the Schedule or in the Declarations;
2. Actual cash value of the stolen or damaged property; or
3. Amount necessary to repair or replace the property.

This amount does not include any reduction in the value of the property after it has been repaired, as compared to its value before it was damaged.

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of loss.

This Endorsement must be attached to the Change Endorsement when issued after the policy is written.



Material in [brackets] is deleted; material underlined> is new.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**MISCELLANEOUS  
TYPE VEHICLE  
ENDORSEMENT**

**NC 03 23  
(Ed. [01-99]06-03)**

**SCHEDULE**

Description and Type of Vehicle	Passenger Hazard Excluded	
1.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Coverages	Limit of Liability	Premium		
		Auto 1	Auto 2	Auto 3
Liability	Bodily Injury	\$ _____	\$ _____	\$ _____
	\$ _____ Each Person			
	\$ _____ Each Accident			
	Property Damage	\$ _____	\$ _____	\$ _____
	\$ _____ Each Accident			
Medical Payments	\$ _____ Each Person	\$ _____	\$ _____	\$ _____
Uninsured Motorists	Bodily Injury	\$ _____	\$ _____	\$ _____
	\$ _____ Each Person			
	\$ _____ Each Accident			
	Property Damage	\$ _____	\$ _____	\$ _____
	\$ _____ Each Accident			
Combined Uninsured and Underinsured Motorists	Bodily Injury	\$ _____	\$ _____	\$ _____
	\$ _____ Each Person			
	\$ _____ Each Accident			
	Property Damage	\$ _____	\$ _____	\$ _____
	\$ _____ Each Accident			
Damage to your Auto Collision Loss Other Than	\$ _____ Less \$ _____ Ded.	\$ _____	\$ _____	\$ _____
	\$ _____ Less \$ _____ Ded.	\$ _____	\$ _____	\$ _____
Collision Loss				

With respect to the **miscellaneous type vehicles** and coverages described in the Schedule or in the Declarations, the provisions of the policy apply unless modified by this endorsement.

**I. DEFINITIONS**

The Definitions Section is amended as follows:

A. For the purpose of the coverage provided by this endorsement **miscellaneous type vehicles** means:

1. A motorcycle, golfcart or other similar type vehicle.
2. A private passenger auto owned jointly by two or more individuals other than husband and wife.
3. A private passenger auto not owned by a natural person and not rated as part of a fleet.

B. The definition of **your covered auto** is replaced by the following:

**Your covered auto** means:

1. Any **miscellaneous type vehicle** shown in the Schedule or in the Declarations.
2. A **newly acquired auto**
3. Any **trailer**.
4. Any **miscellaneous type vehicle** or auto you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
  - a. breakdown;
  - b. repair;
  - c. servicing;
  - d. loss; or
  - e. destruction.

C. The first paragraph of the definition of **newly acquired auto** is replaced by the following:

**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 station wagon type;
- b. a pickup or van that:
  - (1) has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 lbs.; and
  - (2) is not used for the delivery or transportation of goods and materials unless such use is:
    - (a) incidental to your **business** of installing, maintaining or repairing furnishings or equipment; or
    - (b) for farming or ranching.
- c. any **miscellaneous type vehicle** of the same type shown in the Schedule or in the Declarations.

## II. LIABILITY COVERAGE

Part A is amended as follows:

A. The definition of **insured** is replaced by the following:

**Insured** means:

1. You or any **family member** for the ownership, maintenance or use of **your covered auto**.
2. Any person using **your covered auto**.
3. For **your covered auto**, 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.

B. The Exclusions Section is amended as follows:

The following exclusion applies under Part A to any vehicle for which the Schedule or Declarations indicates that the passenger hazard is excluded:

We do not provide Liability Coverage for any **insured** for **bodily injury** while **occupying** the described **miscellaneous type vehicle**.

III. MEDICAL PAYMENTS COVERAGE

Part B, Medical Payments Coverage, is amended as follows:

If **your covered auto** is a motorcycle and the Declarations of this policy indicate Medical Payments Coverage is in effect for it, Part B, Exclusion 11. does not apply.

IV. COVERAGE FOR DAMAGE TO YOUR AUTO

The Insuring Agreement of Part D is replaced by the following:

We will pay for direct and accidental loss to your **covered auto** including its equipment. Direct and accidental loss does not include any reduction in the value of any vehicle after it has been repaired, as compared to its value before it was damaged. Our payment will be reduced by any deductible shown in the Declarations or Schedule. However, we will pay for loss caused by **collision** only for the Declarations or Schedule indicate that Collision Coverage is provided.

Material in [brackets] is deleted; material underlined is new.

## COVERAGE FOR RENTED VEHICLES

---

This coverage is subject to all provisions of the policy except as changed below:

### I. Additional Definitions Applicable to This Coverage

**Rented Vehicle** means a vehicle of the following types which is rented on a daily basis by a **renter** for less than 22 consecutive days:

1. a private passenger auto or station wagon type; or
2. a pickup truck or van that:
  - (a) has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds; and
  - (b) is not used for the delivery or transportation of goods and materials unless such use is:
    - (1) incidental to your business of installing, maintaining or repairing furnishings or equipment; or
    - (2) for farming or ranching.

**Renter** means:

1. you; or
2. a **family member**;  
who rents a **rented vehicle**.

### II. Coverage For Rented Vehicles

#### A. Insuring Agreement

We will pay the amount a **renter** is legally obligated to pay for:

1. any damage or loss to the **rented vehicle** including its equipment; and
2. actual loss of use and other reasonable costs or expenses resulting from the damage or loss.

Loss does not include any reduction in the value of the property after it has been repaired, as compared to its value before it was damaged.

The amount we pay is subject to a deductible of \$250.

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The damage or loss must occur while the **rented vehicle** is:

1. being driven by; or
2. not being driven by, but is in the custody of;

a person authorized to drive the **rented vehicle** under the rental contract.

#### B. Exclusions

We will not pay for:

1. Damage or loss intentionally caused by a **renter** or a person authorized to drive the **rented vehicle** under the rental contract.
2. Loss due to or as a consequence of:
  - a. radioactive contamination;
  - b. war (declared or undeclared);
  - c. civil war;
  - d. insurrection; or
  - e. rebellion or revolution.
3. Loss to any **rented vehicle** due to forfeiture ordered by the courts or destruction or confiscation by governmental or civil authorities because the **rented vehicle** was used in an illegal activity.

#### C. Limit of Liability

Our limit of liability for damage or loss to a **rented vehicle** will be the lesser of the:

1. Actual cash value of the vehicle; or
2. Amount necessary to repair or replace the vehicle.

This amount does not include any reduction in the value of the property after it has been repaired, as compared to its value before it was damaged.

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of loss.



D. Other Sources of Recovery

Any insurance we provide with respect to a **rented vehicle** shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the **rented vehicle**;
2. Any applicable physical damage insurance under this or any other policy; or
3. Any other source of recovery applicable to the loss.

E. Additional Duties For Coverage For Rented Vehicles

A person seeking Coverage For Rented Vehicles must also:

1. Take reasonable steps after loss to protect the **rented vehicle** from further loss. We will pay reasonable expenses incurred to do this.
  2. Promptly notify the police if the **rented vehicle** is stolen.
  3. Take reasonable steps to enable us to inspect and appraise the **rented vehicle** before its repair and disposal.
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