



Amendment of Private Fleet Automobile Provisions – South Carolina

This endorsement changes the policy. Please read it carefully

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

DEFINITIONS

Definition **F.** is replaced with the following:

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

Part **2.** of Definition **K.** "Newly Acquired Auto" is deleted and replaced with the following:

- 2.** Coverage for a "newly acquired auto" is provided as described below. If you ask us to insure a "newly acquired auto" after the specified time period described below has elapsed, any coverage we provide will begin when you request the coverage.

- a.** For any coverage provided in this policy except Coverage for Damage to Your Auto, a "newly acquired auto" will have the broadest coverage we provide for any vehicle shown in the Declarations. Coverage begins on the date you become the owner. However, for this coverage to apply to an additional “newly acquired auto”, you must ask us to insure it within 30 days after you become the owner.

If a "newly acquired auto" replaces a vehicle shown in the Declarations, coverage is provided for this vehicle without your having to ask us to insure it.

- b.** Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for the coverage to apply, you must ask us to insure it within:
 - (1)** 30 days after you become the owner if Collision Coverage applies to at least one auto listed on the Declarations. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
 - (2)** Four days after you become the owner if Collision Coverage does not apply to at least one auto. If you comply with the four day requirement and a loss occurs before you ask us to insure the "newly acquired auto", a collision deductible of \$500 will apply.
- c.** Other Than Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:
 - (1)** 30 days after you become the owner if Other Than Collision Coverage applies to at least one auto listed on the Declarations. In this case, the "newly acquired auto"



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will have the broadest coverage we now provide for any auto shown in the Declarations.

- (2) Four days after you become the owner if Other Than Collision Coverage does not apply to at least one auto. If you comply with the 4 day requirement and a loss occurs before you ask us to insure the "newly acquired auto", an Other Than Collision deductible of \$500 will apply.

The following definitions are added:

- L.** "Collector auto" means any "classic auto", "exotic auto" or "antique auto" shown in the Declarations that is;
1. maintained primarily for use in car club activities, parades, exhibitions, other functions of public interest or for a private collection; and
 2. used infrequently for other purposes.
- M.** "Antique auto" means a vintage auto or motor cycle manufactured more than 25 years prior to the current year. Antique vehicles are rarely driven and typically transported by trailer.
- N.** "Classic auto" means a motor vehicle of limited production or availability, unique or rare design, and recognized for its aesthetic value. For purposes of this policy, a classic vehicle also includes a reproduction of a collector auto.
- O.** "Exotic auto" means a motor vehicle that is less than 20 years old that has not been altered from its original factory specifications. Exotic vehicles are of unique design and are part of a limited production. An exotic vehicle's value is derived in part from its performance and the artistic nature of its bodywork and interior.
- P.** "Regular use vehicle" means a vehicle used for general transportation, including:
1. Driven to work, school or to perform errands; or
 2. Used during the course of your business or occupation; or
 3. Used as a substitute or back-up for any vehicle used as 1. or 2. above.
- Q.** "Minimum limits", as used throughout the policy, refers to the following limits of liability as required by South Carolina law, to be provided under a policy of automobile liability insurance:
1. \$25,000 for each person, subject to \$50,000 for each accident, with respect to "bodily injury"; and



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2. \$25,000 for each accident with respect to “property damage” or
3. \$75,000 for each accident.

PART A - LIABILITY COVERAGE

Part A. is amended as follows:

EXCLUSIONS

Exclusion **A.1.** is replaced by the following:

We do not provide Liability Coverage for any “insured”:

1. Who intentionally causes “bodily injury” or “property damage” to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the South Carolina Financial Responsibility Act.

The following exclusion is added to Exclusion **A.:**

10. We will not provide Liability Coverage for "bodily injury" to you or any person whenever the ultimate beneficiary of the indemnification is you or a "family member"

LIMIT OF LIABILITY. Paragraph **A.** of the **Limit of Liability** Provision is deleted and replaced by the following:

- A.** The limit of liability shown in the Declarations for each person for Bodily Injury Liability is our maximum limit of liability for all damages. This limit includes damages for care, loss of services, death or any derivative damages sustained by any person, arising out of "bodily injury" sustained by any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Bodily Injury Liability is our maximum limit of liability for all damages for "bodily injury" resulting from any one auto accident.

The limit of liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all "property damage" resulting from any one auto accident.

This is the most we will pay regardless of the number of:

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



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OTHER INSURANCE. The **Other Insurance** Provision is replaced with the following:

OTHER INSURANCE

If there is other applicable liability insurance, we will pay only our share of loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, if other insurance is available under a policy or contract relating to the maintenance, selling, repairing, servicing, storing, or parking of motor vehicles, then any insurance we provide will be excess over that other insurance. Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.

The following provision is added:

FEDERAL EMPLOYEES USING AUTOS IN GOVERNMENT BUSINESS

If this policy is issued to a federal employee using an auto in government business, the following provision is added:

The following are not “insureds” under Part **A.**:

1. The United States of America or any of its agencies.
2. Any person with respect to “bodily injury” or “property damage” resulting from the operation of an auto by that person as an employee of the United States Government. This applies only if the provisions of Section 2679 of Title 28, United States Code as amended, require the Attorney General of the United States to defend that person in any civil action which may be brought for the “bodily injury” or “property damage”

PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Part D. is amended as follows:

INSURING AGREEMENT. The following is added to paragraph **A.** of the **Insuring Agreement**:

We will pay under Other Than Collision Coverage or under Collision Coverage for loss to safety glass on “your covered auto” without applying a deductible. We will pay only if the Declaration indicates that Collision or Other Than Collision Coverage applied.

The following is added to paragraph **C.** “Non-owned auto” means:



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3. Any vehicle you lease or rent for a period not greater than 90 days.

TRANSPORTATION EXPENSES. The **Transportation Expenses** provision is replaced with the following:

TRANSPORTATION EXPENSES AND TEMPORARY EMERGENCY LIVING

1. We will pay without a deductible, up to a maximum of \$5,000 for reasonable additional expenses you incur for:
 - a. transportation expenses ;
 - b. meals, lodging and phone expenses if you are more than 50 miles from your closest residence; and
 - c. expenses for which you become legally responsible in the event of a loss to a "non-owned auto".

We will pay for such expenses if the loss is caused by:

- (1) Other than "collision" only if Other Than Collision Coverage is provided for an auto on your Declarations.
 - (2) "Collision" only if Collision Coverage is provided for provided for an auto on your Declarations.
2. Our payment will be limited to that period of time reasonably required to repair "your covered auto" or "non-owned auto". In the event of a total loss, our payment will be limited to that period of time until we pay the loss.

The following provisions are added to Part **D**::

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 Coverage deductible if:

1. The loss involves an "uninsured motor vehicle", as the term is defined in the Uninsured Motorist Coverage endorsement; and
2. You are legally entitled to recover the full amount of the loss from the owner or operator of the "uninsured motor 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. 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.



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

The **Arbitration** and **Duties after an Accident or Loss** Provisions on the Uninsured Motorists Coverage endorsement apply to the **Waiver of Collision Deductible** Provision.

AUTO LOAN/LEASE COVERAGE

If there is a total loss to "your covered auto", we will pay any unpaid amount due on the lease or loan for "your covered auto" less:

1. The amount paid under **Part D – Coverage for Damage to Your Auto** of the policy; and
2. Any:
 - a. Overdue lease/loan payments at the time of loss;
 - b. Financial penalties imposed under a lease for high mileage;
 - c. Security deposits not refunded by a lessor;
 - d. Cost for extended warranties, Credit , Life insurance, Health, Accident or Disability insurance purchased with the loan or lease; and
 - e. Carry-over balances from previous loans or leases.

COVERAGE FOR ACCIDENTAL DEPLOYMENT OF AN AIRBAG

We will pay the full cost to repair or replace an airbag system that accidentally deploys and is not caused by a collision or other than collision loss. There is no deductible for this coverage.

AUTO LOCK COVERAGE

If the keys to "your covered auto" or "non-owned auto" are lost or stolen, and we are notified of the loss within 72 hours, we will pay up to \$1,500 for the following:

1. The cost to replace or duplicate keys; or
2. The labor costs to retrieve keys accidentally locked in the vehicle; or
3. The cost to re-key the locks when the vehicle is stolen and then recovered or the keys are lost or stolen.

There is no deductible for this coverage.

TOWING COVERAGE



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If “your covered auto” is disabled as a result of a covered loss, we will pay the reasonable cost to tow “your covered auto” to a repair facility and for labor performed at the place of disablement.

SPARE PARTS

We will pay up to \$1,000 in total if spare parts you own as replacement parts for your “collector auto” are lost or damaged unless an exclusion applies. There is no deductible for this coverage.

EXCLUSIONS. The Part **D. Exclusions** provision is amended as follows:

The following exclusion is deleted:

Exclusion **5**, Loss to tapes, records, disks or other media used with equipment described in Exclusion **4**.

The following exclusions are added:

- 14.** The actual or perceived loss in market or resale value of an auto which results from a direct or accidental loss.
- 15.** Loss to a “collector auto” caused by insects, birds or vermin, inherent defect, dampness, mildew, mold, rot or rust, temperature extremes or gradual deterioration.
- 16.** Loss to a “collector auto” caused by any repairing, renovating or refinishing process unless the process results in a fire or explosion. We will only pay for the damage caused by the fire or explosion.

LIMIT OF LIABILITY. The Part **D. Limit of Liability** Provision is replaced with the following:

A. Our Limit of Liability for loss will be the lesser of:

- 1.** The Agreed Value stated in the Declarations or, for any auto without an Agreed Value stated in the Declarations, the actual cash value of the stolen or damaged property;
- 2.** The amount necessary to repair or replace the property with other property of like kind and quality without application of depreciation; or
- 3.** \$1,500 for loss to any “Non-owned auto” that is a trailer.



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However, our payment will be reduced by any amount paid for a previous loss to the same vehicle if the prior damage has not been repaired.

- B.** Any applicable deductible shown in the Declarations will reduce our payment for loss. In the event of a Total Loss, no deductible will apply. An auto will be considered a Total Loss when:
1. the costs of labor and parts to repair the auto plus the salvage value are greater than or equal to the Agreed Value;
 2. the entire auto is stolen, not recovered and we offer to settle the loss; or
 3. we deem it to be a Total Loss.

APPRAISAL. The **Appraisal** provision of Part **D.** is replaced with the following:

APPRAISAL

- A.** If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. Upon notice of a demand for appraisal, the opposing party may, prior to appraisal, demand mediation of the dispute. The demand must be in accordance with the Mediation provision found in part F of the policy. Mediation must be completed before a demand for appraisal can be made.
- B.** In the event of a demand for appraisal, each party will select an impartial appraiser. The appraisers will state separately the actual cash value and the amount of the loss. If they fail to agree, they will submit their differences to the umpire. The two appraisers will select an umpire. A decision agreed to by any two will be binding. Each party will:
1. Pay its chosen appraiser; and
 2. Bear the expenses of the appraisal and the umpire equally.
- C.** We do not waive any of our rights under this policy by agreeing to an appraisal.

PART F – GENERAL PROVISIONS

The following provision is added:

MEDIATION

In any claim filed with us for:

1. Loss resulting from “bodily injury” in an amount of \$10,000 or less;
2. “Property damage”; or
3. Loss to “your covered auto” or any “non-owned auto”;



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Either party may demand mediation of the claim, prior to taking legal action. The request must state:

1. Why mediation is being requested; and
2. The issues in dispute which are to be mediated.

Only one mediation may be requested for each claim, unless all parties agree to further mediation. A party demanding mediation shall not be entitled to demand or request mediation after a suit is filed relating to the same facts already mediated.

The parties must jointly appoint a mutually acceptable mediator. If the parties are unable to agree upon the appointment of a mediator within 7 days after a party has given notice of a demand to mediate the dispute, any party may apply to the JAMS Mediation Service, or such other organization or person agreed to by the parties in writing, for appointment of a mediator.

The mediator will notify the parties of the date, time and place of the mediation conference. This conference will be held within 45 days of the mediation request. If feasible, the conference may be held by telephone.

The mediation shall be conducted as an informal process and formal rules of evidence and procedure need not be observed. Participants must:

1. Have authority to make a binding decision; and
2. Mediate in good faith.

If the mediator determines that both parties have mediated in good faith, the costs of the mediation shall be shared equally by both parties

POLICY PERIOD AND TERRITORY. The **Policy Period and Territory** provision is deleted and replaced with the following:

POLICY PERIOD AND TERRITORY

A. This policy applies only to accidents and losses which occur:

1. During the policy period as shown in the Declarations; and
2. Anywhere in the world.

B. If you borrow, lease or rent, a "non-owned auto" outside the United States, its territories or possessions, Puerto Rico, or Canada, the coverage provided by this policy



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will apply to the use or operation of that vehicle by you or any "family member" provided:

1. That the mandated insurance is purchased or provided for the vehicle being operated, as defined by the country or jurisdiction. . Our limit of liability will be only the part of a covered loss that exceeds the limit of liability of that policy.

In Mexico and other countries, liability coverage must be purchased from a locally licensed insurance company to meet the liability requirements of that country. Failure to comply with this requirement may leave you uninsured with regard to liability coverage under the local law and subject to fines and other penalties.

2. The use, lease or rental, of the "non-owned auto" is for a period less than 90 days.

This coverage also applies to a temporarily relocated "covered auto" and "newly acquired vehicles."

FRAUD. The following paragraph is added to the **Fraud** provision:

FRAUD

However, we will provide coverage to such "insured" for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages result from an accident which is otherwise covered under this policy.

The following is added to the **Our Right To Recover Payment** Provision:

OUR RIGHT TO RECOVER PAYMENT

This provision does not apply to **Part B – Medical Payments Coverage.**

TERMINATION. The Termination provision is amended as follows:

TERMINATION

A. 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.



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2. We may cancel by mailing notice to the named insured shown in the Declarations at the address shown in this policy at least 15 days prior to the date cancellation is to take effect.

If this policy is cancelled within the first 60 days, and is not a renewal or continuation policy, the cancellation will become effective only on or after the 61st day of the policy period. However, if this policy is cancelled for nonpayment of premium, the cancellation will become effective only on or after the 31st day of the policy period.

3. After this policy has been in effect for more than 90 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 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) If this is a renewal or continuation policy, during the policy period or the 90 days immediately preceding the last anniversary of the original effective date.

4. In the event that we determine that you have been charged an incorrect premium for coverage requested in your application for insurance, we will mail you notice of any additional premium due. If within 15 days of the notice of additional premium due (or longer time period as specified in the notice), you fail to either:
 - a. Pay the additional premium and maintain this policy in force under its original terms; or
 - b. Cancel this policy and demand a refund of any unearned premium;

Then this policy shall be cancelled effective 15 days from the date of the notice or a longer time period specified in the notice.

B. Nonrenewal

If we decide not to renew or continue this policy, we will mail advance notice to the named insured shown in the Declarations at the address shown in this policy. This



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notice will be mailed at least 15 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Less than 6 months, we will have the right not to renew or continue this policy every 6 months, beginning 6 months after its original effective date.
2. 6 months or longer, but less than one year, we will have the right not to renew or continue this policy at the end of the policy period.
3. 1 year or longer, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

C. Automatic Termination

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

D. 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. The premium refund, if any, will be computed according to our manuals. 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.