

AMENDMENT OF POLICY PROVISIONS

This Amendment forms a part of the auto policy to which it is attached, and it modifies that policy as follows:

This Amendment replaces Part D in its entirety.

PART D - PHYSICAL DAMAGE COVERAGE

DEFINITIONS

A. **Actual cash value** means the amount that it would cost, at the time of **loss**, to buy a comparable vehicle. As applied to **your covered auto**, a comparable vehicle is one of the same make, model, model year, body type, and options with substantially similar mileage and physical condition.

B. **Collision** means the impact with an object and includes upset of a vehicle. **Loss** caused by the following is covered under Comprehensive Coverage and is not considered **collision**: fire; missiles or falling objects; hail, water or flood; malicious mischief or vandalism; theft or larceny; riot or civil commotion; explosion or earthquake; contact with bird or animal; windstorm; or breakage of window glass. If breakage of window glass is caused by a **collision you** may elect to have it considered a **loss** caused by **collision**.

C. **Equipment and accessories** means personal property while in or upon **your covered auto**.

D. **Loss** means direct and accidental damage to the operational safety, function, or appearance of, or theft of, **your covered auto** or **equipment and accessories** that are not permanently installed in **your covered auto**. **Loss** includes a total loss, but does not include any damage other than the cost to **repair** or replace. **Loss** does not include any loss-of-use, or diminution in value that would remain after **repair** or replacement of the damaged or stolen property.

E. Nonowned vehicle.

1. **Nonowned vehicle** means any private passenger auto, pickup, **van**, **miscellaneous vehicle**, or **trailer** not owned by, or furnished or available for the regular use of, **you** or a **family member**. This applies only when the vehicle is in the custody of or being operated by **you** or a **family member**.

2. A **nonowned vehicle** does not include any of the following vehicles used in any business or occupation other than farming or ranching:

- a. A pickup;
- b. A **van**; or
- c. A **miscellaneous vehicle**.

F. Repair

1. **Repair** means restoring the damaged property to its pre-**loss** operational safety, function, and appearance. This may include the replacement of component parts.

2. **Repair** does not require:

- a. A return to the pre-**loss** market value of the property;
- b. Restoration, alteration, or replacement of undamaged property, unless such is needed for the operational safety of the vehicle; or
- c. Rekeying of locks following theft or misplacement of keys.

G. **Your covered auto**, as used in this Part, includes:

1. **Equipment and accessories** permanently installed in **your covered auto**.
2. A **nonowned vehicle**. If there is a **loss** to a **nonowned vehicle**, we will provide the broadest coverage shown on the Declarations.

INSURING AGREEMENT

A. Comprehensive Coverage (excluding **collision**).

1. Physical damage. We will pay for **loss** caused by other than **collision** to **your covered auto**, and **equipment and accessories** that are not permanently installed in **your covered auto**, minus any applicable deductible shown on the Declarations. The deductible will be waived for **loss** to window glass that can be repaired rather than replaced. In cases where the repair proves unsuccessful and the window glass must be replaced, the full amount of the deductible, if any, must be paid.
2. Transportation expenses. We will also pay:
 - a. Up to \$15 a day, to a maximum of \$450, for transportation expenses incurred by **you**. This applies only in the event of a total theft of **your covered auto**. We will pay only transportation expenses incurred during the period beginning 48 hours after the theft and ending when **your covered auto** is returned to use or, if not recovered or not **repairable**, up to seven days after we have made a settlement offer.
 - b. If Increased Rental Reimbursement Coverage is afforded, limits for transportation expenses are increased up to \$30 per day to a maximum of \$900.

B. Collision Coverage. We will pay for **loss** caused by **collision** to **your covered auto**, and **equipment and accessories** that are not permanently installed in **your covered auto**, minus any applicable deductible shown on the Declarations.

C. Rental Reimbursement Coverage and Increased Rental Reimbursement Coverage (for **loss** other than total theft).

1. We will reimburse **you** for expenses **you** incur to rent a substitute for **your covered auto**. These coverages apply only if:

- a. **Your covered auto** is withdrawn from use for more than 24 hours due to a **loss**, other than a total theft, to that auto; and
- b. The **loss** is covered under Comprehensive Coverage or caused by **collision**, and the cause of **loss** is not otherwise excluded under Part D of this policy.

2. We will reimburse **you** only for that period of time reasonably required to **repair** or replace **your covered auto**. If we determine **your covered auto** is a total loss, the rental period will end no later than seven days after we have made a settlement offer.

D. Towing and Labor Costs Coverage. We will pay the reasonable costs **you** incur for one of the following each time **your covered auto** is disabled:

1. Mechanical labor up to one hour at the place of breakdown.
2. Towing, to the nearest place where necessary repairs can be made during regular business hours, if the vehicle will not run or is stranded on or immediately next to a public road.
3. Delivery of gas to, or a change of tire on a disabled vehicle. However, we do not pay for the cost of these items.

LIMIT OF LIABILITY

A. Total loss to **your covered auto**. Our limit of liability under Comprehensive Coverage and Collision Coverage is the **actual cash value** of the vehicle. We will declare **your covered auto** to be a total loss if, in our judgment, the cost to **repair** it would be greater than its **actual cash value** minus its salvage value after the **loss**.

B. Other than a total loss to **your covered auto**.

1. Our limit of liability under Comprehensive Coverage and Collision Coverage is the amount necessary to **repair** the **loss** based on our estimate or an estimate that we approve, if submitted by **you** or a third party. Upon request, we will identify at least one facility that is willing and able to complete the **repair** for the amount of the estimate.

2. Our estimate may specify used, rebuilt, remanufactured, or non-Original Equipment Manufacturer (non-OEM) parts.

3. **You** may request that damaged parts be replaced with new Original Equipment Manufacturer (OEM) parts. **You** will be responsible, however, for any cost difference between the parts included in our estimate and the new OEM parts used in the **repair**.

4. We will not take a deduction for depreciation. We will take a deduction if prior damage has not been **repaired**. Prior damage does not include wear and tear.

C. **Equipment and accessories** that are not permanently installed in **your covered auto**. The limits of liability described below are separate from the limits available for a **loss** to **your covered auto**:

1. Our limit of liability is the lesser of:

a. The amount necessary to replace the damaged or stolen property; or

b. \$250.

2. We will not take a deduction for depreciation.

D. Under Rental Reimbursement Coverage, our limit of liability is \$15 a day, to a maximum of \$450. Under Increased Rental Reimbursement Coverage, our limit of liability is \$30 a day, to a maximum of \$900.

E. Under Towing and Labor Costs Coverage, our limit of liability is the reasonable price for the covered service.

PAYMENT OF LOSS

We may pay for **loss** in money, or **repair** or replace the damaged or stolen property. We may, at our expense, return any stolen property to **you** or to the address shown on the Declarations. If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the damaged or stolen property and pay **you** an agreed or appraised value for it. We cannot be required to assume the ownership of damaged property. We may settle a claim either with **you** or with the owner of the property.

LOSS PAYABLE CLAUSE

Loss or damage under this policy will be paid, as interest may appear, to the named insured and the loss payee shown on the Declarations. This insurance, with respect to the interest of the loss payee, will not become invalid because of **your** fraudulent acts or omissions unless the **loss** results from **your** conversion, secretion, or embezzlement of **your covered auto**. We may cancel the policy as permitted by policy terms and the cancellation will terminate this agreement as to the loss payee's interest. We will give the same advance notice of cancellation to the loss payee as we give to the named insured shown on the Declarations. We may send notices to the loss payee either by mail or by electronic means. However, if the loss payee requests in writing that we not send notices, including a notice of cancellation, we will abide by that request. When we pay the loss payee we will, to the extent of payment, be subrogated to the loss payee's rights of recovery.

WAIVER OF COLLISION DEDUCTIBLE

We will not apply the deductible to **loss** caused by **collision** with another vehicle if all of these conditions are met:

1. The **loss** to **your covered auto** is greater than the deductible amount; and
2. The owner and driver of the other vehicle are identified; and
3. The owner or driver of the other vehicle has a liability policy covering the **loss**; and
4. The driver of **your covered auto** is not legally responsible, in any way, for causing or contributing to the **loss**.

EXCLUSIONS

We will not pay for:

1. **Loss** to **your covered auto** which occurs while it is used to carry persons for a fee. This exclusion (1.) does not apply to a share-the-expense car pool.
2. Damage due and confined to wear and tear, freezing, or road damage to tires. This does not apply if the damage results from the total theft of **your covered auto**. This exclusion (2.) does not apply to Towing and Labor Costs Coverage.
3. Damage due and confined to mechanical or electrical breakdown or failure, including such damage resulting from negligent servicing or repair of **your covered auto** or its equipment. We will pay for ensuing damage only to the extent the damage occurs outside of the major component (such as transmission/transaxle, electrical system, engine including cooling and lubrication thereof, air conditioning, computer, suspension, braking, drive assembly, and steering) in which the initial mechanical or electrical breakdown or failure occurs.

This exclusion (3.) does not apply if the damage results from the total theft of **your covered auto**, and it does not apply to Towing and Labor Costs Coverage.

4. **Loss** due to or as a consequence of war, insurrection, revolution, nuclear reaction, or radioactive contamination.
5. **Loss** to a camper body or **trailer you** own which is not shown on the Declarations. This exclusion (5.) does not apply to one **you** acquire during the policy period and ask **us** to insure within 30 days after **you** become the owner.
6. **Loss** to any **nonowned vehicle** when used by any person without a reasonable belief that that person is entitled to do so.
7. **Loss** to equipment designed or used to evade or avoid the enforcement of motor vehicle laws.
8. **Loss** to any **nonowned vehicle** arising out of its use by **you** or a **family member** while employed or otherwise engaged in **auto business** operations.
9. **Loss** to **your covered auto** while it is rented or leased to others.
10. **Loss** to any vehicle while it is being operated in, or in practice for, any **driving contest or challenge**.
11. **Loss** resulting from:
 - a. The acquisition of a stolen vehicle;
 - b. Any legal or governmental action to return a vehicle to its legal owner; or
 - c. Any confiscation or seizure of a vehicle by governmental authorities.

This exclusion (11.) does not apply to innocent purchasers of stolen vehicles for value under circumstances that would not cause a reasonable person to be suspicious of the sales transaction or the validity of the title.

12. **Loss** resulting from use in any illicit or prohibited trade or transportation.
13. Any **loss** arising out of any act committed:
 - a. By or at the direction of **you** or any **family member**; and
 - b. With the intent to cause a **loss**.
14. **Loss** caused by **fungi**, wet or dry rot, or bacteria. This means the presence, growth, proliferation, spread, or any activity of **fungi**, wet or dry rot, or bacteria. This exclusion (14.) does not apply to damage directly resulting from a **loss** covered under Comprehensive Coverage or Collision Coverage.

NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the **loss**, we will pay only **our** share of the **loss**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a **nonowned vehicle** will be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the **nonowned vehicle**.
2. Any other applicable physical damage insurance.
3. Any other source of recovery applicable to the **loss**.

This provision does not apply to Towing and Labor Costs Coverage.

APPRAISAL

If **we** and **you** do not agree on the amount of **loss**, either may demand an appraisal. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the **actual cash value** and the amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will pay its chosen appraiser and share the expenses of the umpire equally. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

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