

## TEXAS PERSONAL AUTOMOBILE POLICY ENDORSEMENT

### NON-OWNER COVERAGE

Your Texas Personal Automobile Policy is amended to provide only Non-Owner Coverage, in accordance with the changes set forth below:

**Part A – Definitions** is amended as follows

- Definition 2 – **Additional Auto** is deleted.
- Definition 3 – **Authorized Driver** is deleted.
- Definition 8 – **Covered Auto** is deleted.
- Definition 9 – **Custom Equipment** is deleted.
- Definition 13 – **Listed Auto** is deleted.
- Definition 21 – **Replacement Auto** is deleted.
- Definition 23 – **Temporary Substitute Auto** is deleted.

**Part A – Definitions** is further amended by deleting Definition 15 – **Non-Owned Auto**, and replacing it with the following:

**Non-owned auto** means any **auto** not owned by **you, your spouse**, or a **resident**. It does not include any **auto** made available for **your** regular use. If this policy is certified as proof of financial responsibility, **non-owned auto** means any **auto** not owned by **you** and not made available for **your** regular use.

**Part A – Definitions** is further amended as follows:

- Definitions 4 through 7 are renumbered as Definitions 2 through 5, consecutively..
- Definitions 10 through 12 are renumbered as Definitions 6 through 8, consecutively.
- Definitions 14 through 20 are renumbered as Definitions 9 through 15, consecutively.
- Definition 22 is renumbered as Definition 16.

Definitions 24 through 28 are renumbered as Definitions 17 through 21, consecutively. **Part B – Liability to Others** is amended by deleting **Section 1 – Insuring Agreement**, and replacing it with the following:

#### **Section 1 – Insuring Agreement**

The following coverage is subject to all of the provisions of this Part B Liability to Others, Part I – General Conditions and Part A – Definitions.

If **you** pay the premium for the liability coverage afforded under this Part B **we** will pay **damages** for which an **insured person** becomes legally responsible as the result of an **accident** arising from:

- a. the operation or use of a **non-owned auto**, with the express or implied permission of the **owner** of the **non-owned auto**, and within the scope of such permission.
- b. the use of a **trailer** while attached to a **non-owned auto**.

**Part B – Liability to Others** is further amended by deleting **Section 2 – Additional Definitions**, and replacing it with the following:

#### **Section 2 – Additional Definitions**

When used in this Part B, **insured person** or **insured persons** means the following individuals:

1. **you**, with respect to an **accident** arising out of the operation or use of a **non-owned auto** with the express or implied permission of the **owner** of that **non-owned auto**.
2. any other person, but only with respect to any vicarious liability on the part of such person arising from **your** operation or use of a **non-owned auto**.

**Part B – Liability to Others** is further amended by modifying **Section 4 – Exclusions** as follows:

Exclusion 1 is hereby deleted and replaced by the following:

1. **bodily injury** or **property damage** arising out of the operation or use of a **non-owned auto** or **trailer**, while such **non-owned auto** or **trailer** is:
  - a. rented or leased to another.
  - b. used in the course of any **business**.
  - c. used as a residence.
  - d. used to tow anything other than a **trailer**.
  - e. used to transport any explosive, flammable, toxic or hazardous substance or material. This exclusion applies whether or not such transport is undertaken for a fee or compensation. However, this exclusion does not apply to the incidental transportation of household products that are toxic, flammable, hazardous or explosive, when intended for personal household use.
  - f. operated by anyone other than **you**.
  - g. operated in violation of any of the terms, conditions or limitations included in the authorizations described in paragraphs (b) and (c) of the definition of **driving privileges**.

- h. used by an **insured person** under circumstances that would not lead a reasonable person to believe that were entitled to use the **non-owned auto**.

Exclusion 4 is hereby deleted. Exclusions 5 through 7 are re-numbered as exclusions 4 through 6, consecutively.

Exclusion 8 is hereby deleted and replaced by the following:

7. **bodily injury to you, your spouse or a resident.** This exclusion applies only to the extent that liability for such **bodily injury** exceeds the minimum limits of liability coverage required under the Motor Vehicle Safety-Responsibility Act in the Texas Transportation Code.

Exclusion 9 is hereby deleted.

Exclusion 10 is renumbered as Exclusion 8, and is modified by deleting the term “**covered auto.**”

Exclusions 11 through 13 are renumbered as Exclusions 9 through 11, consecutively.

**Part B – Liability to Others** is further amended by modifying **Section 5 – Limits of Liability** as follows:

Paragraph 1 is deleted and replaced by the following:

1. The Limit of Liability shown on the **declarations page** is the most **we** will pay under this Part B, regardless of the number or amount of claims, claimants, **autos** involved in the **accident**, persons insured, lawsuits filed, premiums paid or policies issued.

**Part B – Liability to Others** is further amended by deleting **Section 6 – Other Insurance** and replacing it with the following:

#### **Section 6 – Other Insurance**

If there are other liability insurance policies or bonds applicable to the same **accident**, **we** will pay only **our** share of the **damages**. **Our** share is the proportion that **our** applicable Limit of Liability bears to the total of all applicable Limits of Liability.

**Part C– Personal Injury Protection Coverage** is amended by deleting **Section 1 – Insuring Agreement** and replacing it with the following:

#### **Section 1 – Insuring Agreement**

The following coverages are subject to all of the provisions of this Part C– Personal Injury Protection Coverage, Part I – General Conditions and Part A -- Definitions.

If **you** pay the premium for the Personal Injury Protection Coverage afforded under this Part C **we** will pay **Personal Injury Protection Benefits** due to **bodily injury** sustained by an **insured person** as the direct result of an **auto accident**.

**Part C– Personal Injury Protection Coverage** is further amended by modifying **Section 2 – Additional Definitions** as follows:

Paragraph 1 is hereby deleted and replaced by the following:

1. **Insured person or insured persons** mean:
  - a. **You, your spouse** or a **resident** while **occupying a non-owned auto** or when struck by any motor vehicle while not **occupying** a motor vehicle.

**Part C– Personal Injury Protection Coverage** is further amended by modifying **Section 3 – Exclusions** as follows:

Exclusion 4 is deleted and replaced by the following:

4. At the time of the **accident** the **insured person** was **occupying** or struck by any **auto owned by you, your spouse** or a **resident**.

Exclusion 5 is deleted.

**Part C– Personal Injury Protection Coverage** is further amended by deleting **Section 5 – Other Insurance** and replacing it with the following:

#### **Section 5 – Other Insurance**

Any coverage provided under this Part C will be excess over any other collectible Personal Injury Protection Coverage.

**Part D– Excess Medical Expense Coverage** is amended by deleting **Section 1 – Insuring Agreement** and replacing it with the following:

#### **Section 1 – Insuring Agreement**

The following coverage is subject to all of the provisions of this Part D – Excess Medical Expense Coverage, Part I – General Conditions and Part A -- Definitions.

If **you** pay the premium for the Excess Medical Expense Coverage afforded under this Part D, **we** will pay the **usual and customary charge** for reasonable and necessary medical and funeral expenses incurred due to **bodily injury** sustained by an **insured person** in an **accident** arising out use of an **auto**. Such medical or funeral expenses must be incurred within one (1) year from the date of the **accident**.

**Part D– Excess Medical Expense Coverage** is further amended by modifying **Section 2 – Additional Definitions** as follows:

Paragraph 1 is hereby deleted and replaced by the following:

1. **Insured person** and **insured persons** mean:

- a. **You**, while operating or **occupying a non-owned auto**, with the express or implied permission of the **owner** of the **non-owned auto**, and within the course and scope of such permission.
- b. **You**, when struck by a motor vehicle while not **occupying** a motor vehicle.

**Part D– Excess Medical Expense Coverage** is further amended by modifying **Section 3 – Exclusions** as follows:

Exclusion 3 is deleted. .

Exclusions 4 and 5 are renumbered Exclusions 3 and 4, consecutively.

Exclusion 6 is deleted in its entirety.

Exclusions 7 through 11 are renumbered Exclusions 5 through 9, consecutively.

Exclusion 12 is deleted and replaced by the following:

10. arising out of the operation or use of a **non-owned auto** or **trailer**:
  - a. to flee from or elude law enforcement officials.
  - b. in the course of any illicit trade or transportation, or the commission of a felony. This includes, but is not limited to, the theft of a **non-owned auto**.

Exclusion 13 is re-numbered as Exclusion 11.

**Part D– Excess Medical Expense Coverage** is further amended by deleting **Section 5 – Other Insurance** and replacing it with the following:

#### **Section 5 – Other Insurance**

Excess Medical Expense Coverage afforded by this Part D for an **insured person occupying an auto** shall be excess over any other applicable vehicle insurance coverage providing medical and/or funeral expense coverage.

**Part E– Uninsured & Underinsured Motorist Coverage** is amended by modifying **Section 1 – Insuring Agreements** as follows:

Paragraph **B – Uninsured & Underinsured Motorist Property Damage Coverage** is deleted.

**Part E– Uninsured & Underinsured Motorist Coverage** is amended by deleting **Section 2 – Additional Definitions** and replacing it with the following:

#### **Section 2 – Additional Definitions**

The following additional definitions apply to this Part E:

1. **Insured person** or **insured persons** mean:

- a. **You.**
  - b. Any person **occupying** a **non-owned auto** operated by **you**..
  - c. Any person who is entitled to recover **damages** covered by this Part E due to **bodily injury** sustained by **you**.
2. **Uninsured motor vehicle** means a motorized vehicle, other than a motorized vehicle **owned** by **you, your spouse** or a **resident**, or made available for **your** regular use, designed for use on public roadways and subject to vehicle registration laws , including a **trailer** of while attached to such motorized vehicle:
- a. to which no liability policy or bond applies at the time of the **accident**.
  - b. to which a liability policy or bond does apply at the time of the **accident**, but the entity issuing such policy or bond denies coverage or is insolvent.
  - c. to which a liability policy or bond does apply at the time of the **accident**, but the limit of liability provided for **bodily injury** or **property damage**, as applicable to the coverage involved, is less than the limit of liability specified by the financial responsibility laws of the state in which the **accident** occurs.
  - d. as to which the **owner** or operator cannot be identified, and due to a hit-and-run **accident** involving a direct physical impact with **you** or an **auto you occupy**.
  - e. which is an **underinsured motor vehicle**.
3. **Underinsured motor vehicle** means a motorized vehicle designed for use on public roadways and subject to vehicle registration laws, including a **trailer** while attached to such motorized vehicle, as to which a liability bond or policy applies at the time of the **accident**, but one of the following applies:
- a. The limit of liability of that bond or policy is not enough to pay the full amount of **damages** the **insured person** is legally entitled to recover.
  - b. The limit of liability of that bond or policy has been reduced by payment of claims to an amount which is not enough to pay the full amount the insured person is legally entitled to recover as **damages**.

**Uninsured motor vehicle** and **underinsured motor vehicle** do not include any of the following:

- a. Any motorized vehicle owned by **you, your spouse** or a **resident**;
- b. **Owned** or operated by any governmental unit or agency, unless both of the following apply:

- i. the operator of the vehicle is uninsured.
  - ii. there is no statute imposing liability for damages because of bodily injury or property damage on the governmental body for an amount not less than the limit of liability for this coverage.
- c. **Owned** by any self-insured entity, unless that self-insured entity is insolvent;
  - d. Any motorized vehicle operated on rails or crawler treads.

**Part E– Uninsured & Underinsured Motorist Coverage** is further amended by modifying **Section 3 – Exclusions** and replacing it with the following:

Exclusion 1(f) is deleted. Exclusions 1(g) through 1(j) are renumbered as 1(f) through 1(i), consecutively.

Exclusion 1(k) is deleted and replaced by the following:

(j) **owned by you, your spouse or a resident.**

Exclusion 2 is deleted. .

Exclusions 3 and 4 are renumbered Exclusions 2 and 3, consecutively.

Exclusion 5(e) is deleted and replaced by the following:

(e) occurring while a **non-owned auto** operated by **you** is towing another motor vehicle.

Exclusions 5 and 6 are renumbered Exclusions 4 and 5, consecutively.

**Part E– Uninsured & Underinsured Motorist Coverage** is further amended by modifying **Section 4 – Limit of Liability** as follows:

Paragraph 1 is deleted and replaced by the following:

1. The Limit of Liability shown on the **declarations page** is the most **we** will pay under this Part E, regardless of the number or amount of claims, claimants, persons insured, lawsuits filed, **autos** involved in the **accident**, premiums paid or policies issued.

Paragraph 4 is deleted.

Paragraph 5 (a) is modified by deleting the phrase “or **property damage**”.

Paragraphs 5 through 7, are renumbered as Paragraphs 4 through 6, consecutively.

**Part E– Uninsured & Underinsured Motorist Coverage** is further amended by deleting **Section 6 – Other Insurance** and replacing it with the following:

### Section 6 – Other Insurance

Any coverage provided under this Part E shall be excess over any other valid and collectible insurance.

**Part E– Uninsured & Underinsured Motorist Coverage** is further amended by modifying **Section 7 – Other Conditions & Limitations** as follows:

Paragraph 3 is deleted.

**Part F– Physical Damage Coverage** is deleted. **Part G – Towing & Labor Coverage** is deleted.

**Part H – Accidental Death Benefit** is amended by deleting **Section 2 – Additional Definitions** and replacing it with the following:

### Section 2 – Additional Definitions

The following additional definitions apply to this Part F:

1. **Accidental death** means the death of an **insured person** that is a direct result of **bodily injury** sustained in an **accident** arising from the operation or use of a **non-owned auto**. Such operation or use must be with the express or implied permission of the **owner** of the **non-owned auto**, and within the scope of such permission. The death of the insured person must occur within ninety (90) days of the date of the **accident**.

**Accidental death** does not include the death of an **insured person** who, at the time of the **accident**, was operating a **non-owned auto** while under the influence of alcohol, drugs or any intoxicating substance. A blood alcohol level equal to or greater than the legal limit in the state in which the **accident** occurs constitutes “under the influence” for purposes of this provision.

2. **Insured person** or **insured persons** means **you**.

**Part H – Accidental Death Benefit** is further amended by modifying **Section 3 – Exclusions** as follows:

Exclusions 1 through 6, are modified by substituting “**non-owned auto**” in place of “**covered auto**” wherever it appears.

Exclusions 7 and 8 are deleted..

Exclusion 9 is modified by substituting “**non-owned auto**” in place of “**covered auto**” wherever it appears. Exclusion 9 is additionally renumbered as Exclusion 7

Exclusion 10 is deleted and replaced by the following:

8. occurring while the **non-owned auto** is used by an **insured person** under circumstances that would not lead a reasonable person to believe that were entitled to use the **non-owned auto**.



Exclusion 18 is modified by substituting “**non-owned auto**” in place of “**covered auto**” wherever it appears.

Exclusions 11 through 20 are renumbered Exclusions 9 through 18, consecutively.

**Part I – General Conditions** is amended by deleting **Section 4 – Policy and Coverage Changes**, and replacing it with the following: :

#### **Section 4 – Policy and Coverage Changes**

**Your** policy consists of this policy form, **your** insurance application, the **declarations page** and any endorsements or amendments issued by **us** and reflected on the **declarations page**. As such, **your** policy contains all of the agreements between **you** and **us**. Its terms may not be changed except by an endorsement issued by **us**. Only **you** may request any changes that require the execution of a state-mandated form in order to make a change in the policy or coverages. All other changes to the policy may be requested by **you**. **We** must approve in advance any policy change that increases our risk or liability.

If **we** make a change to the terms of this policy form which broadens any coverage **you** have under this edition of the policy form, you will receive the broadened coverage at no additional charge. The broadened coverage will apply as of the date the coverage change becomes effective in **your** state. This provision does not apply to a general program revision or our issuance of a subsequent edition of **your** policy form.

**We** have relied upon the information **you** provided to **us** in determining the level of risk involved in issuing this policy. **We** also relied upon this information to determine the appropriate fees, premiums, discounts and surcharges applicable to the policy. This information is material to **our** decision to issue the policy upon the terms provided. **You** agree to assist **us** in verifying any information provided to **us**, and to promptly advise **us** of any information that is incorrect. If incorrect information was provided, **we** may adjust **your** premium or take other action in accordance with applicable law.

**You** agree to promptly notify **us** when:

1. An **insured person** changes his or her address.
2. **Your** marital status changes.
3. **You** lose **driving privileges**.

**Part I – General Conditions** is amended by deleting **Section 11 – Automatic Termination** and replacing it with the following: :

#### **Section 11 – Automatic Termination**

Coverage under this policy will automatically terminate at the following times:

1. As of the effective date of any other motor vehicle insurance policy covering **you**.

2. As of the policy expiration date set forth on the **declarations page**, if **you** do not accept an offer of renewal of this policy.

Numbering, lettering or other ordering of policy provisions is for convenience only, and do not impact the terms and conditions of the policy. This endorsement is deemed to include any necessary changes to the numbering, lettering or ordering.

Except as expressly modified in this endorsement, all other terms and conditions of the policy remain in full force and effect.