

Dear Customer,

The following changes have been made to your Texas Named Driver Personal Automobile Insurance Policy. The **new** policy language, definitions, explanation of coverage and exclusions appear below. Some of these changes restrict coverage so please take time to read this letter and your policy to determine what coverage has been changed. We appreciate your business and look forward to servicing your auto insurance needs.

POLICY JACKET – Added:

WARNING: A NAMED DRIVER POLICY DOES NOT PROVIDE COVERAGE FOR INDIVIDUALS RESIDING IN THE INSURED'S HOUSEHOLD THAT ARE NOT NAMED ON THE POLICY

DAMAGES – amended:

The company will not pay punitive or exemplary damages under Part A-Liability and Part C-Uninsured/Underinsured Motorist coverage.

This means the Company will pay for actual damages and defense costs up to the limits on the Declaration Page, but will not pay for damages awarded that exceed the actual costs of treatments.

DEFINITIONS - amended:

G. **"Your covered auto"** means:

2.b. A pickup, utility vehicle or van with a GVW of 25,000 lbs. or less not used for the delivery of transportation of goods, materials or supplies other than samples;

This provision (G2) applies only if **"you"**: b. ...**"You"** must notify **"us"** of a replacement vehicle within 20 days only if you wish to: (1) add coverage for damage to the vehicle; or (2) continue existing coverage for damage to the vehicle after the 20 day period expires

N. **"Regular Use"** is defined as: Use by any individual that operates **"Your Coverage Auto"** three or more times within an applicable policy period.

INSURING AGREEMENT AND EXCLUSIONS – amended:

Part A – Liability Coverage, Part B1 – Medical Payments Coverage, Part B2 – Personal Injury Protection Coverage and Part C – Uninsured/Underinsured Motorists Coverage

The INSURING AGREEMENT AND EXCLUSIONS say that the Company does not provide coverage "to **"you"** or anyone else, including claims of negligent entrustment, while an **"excluded driver"**, **"family member"** or resident of **"your"** household who is not listed in the Declarations or who is not added by endorsement during the policy term prior to loss is operating **"your covered auto"** or any other motor vehicle."

This means that if you have someone that uses your insured vehicle regularly, and you allow them to use it knowing that your policy excludes this type of driver from coverage, then there is no coverage for Liability, Medical Payments, Personal Injury Protection or Uninsured/Underinsured Motorist

ROADSIDE ASSISTANCE COVERAGE – amended:

Roadside Assistance Coverage is expanded in the new policy to include, "A. reasonable towing and labor costs to the nearest point at which the disablement can be remedied; B. tire change; C. battery jump start; E. key lockout service; and e) fuel, oil and water delivery service limited to the amounts of fuel, oil and water necessary for the vehicle to travel to the nearest point where fuel and oil is available for purchase..."

Roadside Assistance Coverage benefits are limited to: "two (2) occurrences per covered vehicle per policy period."

BUSINESS USE – amended:

Business Use is excluded from coverage in all parts of the policy when a vehicle is used for the following purposes:

- a. Being used to carry persons for a fee; this does not apply to a share-the expense car pool;
- b. Being used to carry or deliver property for a fee;
- c. Being used in the course of any business or employment, unless "you" have paid a specific premium for "business use" coverage; or
- d. Rented or leased to another person that is not listed on the "Declarations Page."

TERMINATION – amended:

D.2. ...If so, we will send you the refund within 15 business days of the effective date of the cancellation.