

May 4, 2023

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Auto Policy Program Revisions

The Commissioner of Insurance has recently approved several revisions to the Personal Auto Policy Program, which are filed on behalf of the member companies of the North Carolina Rate Bureau. The changes include revisions to the Personal Automobile Manual rules, along with revised and new endorsements.

The following Personal Automobile Manual rules have been revised:

- **Rule 2. Eligibility**

Paragraph 2.C.2 completes references to the appropriate coverage endorsements. Paragraph 2.G. adds a reference to low speed vehicles and modified utility vehicles. Rule 2.H. has been added to address coverage for low speed vehicles and modified utility vehicles.

- **Rule 5. Safe Driver Insurance Plan (SDIP)**

ACCIDENTS RESULTING IN PROPERTY DAMAGE ONLY – reference to accidents occurring prior to October 2017 has been removed.

- **Rule 14. Miscellaneous Coverages**

Paragraphs 14.A.1.a. and 14.B.2. add references to low speed vehicles and modified utility vehicles and change “golfmobile” to “golf cart.”

- **Rule 19. Miscellaneous Types**

Paragraphs 19.A. and 19.C.9. add a reference to the appropriate coverage endorsement. Paragraph 19.D. changes “Golfmobiles” to “Golf Carts” and removes the reference to off-road use. Paragraph 19.F. supplements the reference to the appropriate coverage endorsement.

The following Personal Automobile forms have been revised or introduced:

- **NC 01 90 Notice of Cancellation or Refusal to Renew (Revised)**

This form has been revised to include an option to cancel only specified coverage(s).

- **NC 01 91 Notice of Adverse Action NC 01 91 (New)**

This form has been introduced to be available for use by member companies to provide written notice of an adverse underwriting decision.

- **NC 00 12 Amendatory Endorsement (Physical Damage Only)**

This form has been revised to include an exclusion for intentional acts under Part D. Physical Damage.

- **NC 00 13 Amendatory Endorsement (All Coverages)**

This form has been revised to include an exclusion for intentional acts under Part D. Physical Damage.

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

These revisions become effective with respect to all new and renewal policies becoming effective on or after October 1, 2023.

The enclosed exhibits are intended to enable you to implement the approved revisions in accordance with the above Rule of Application. Reprinted manual pages will be distributed in the usual manner as soon as possible.

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

Sincerely,

Andy Montano

Director, Personal Lines

AM:ko
A-23-1
Attachment

**North Carolina
Personal Auto Manual**

2. PERSONAL AUTO POLICY – ELIGIBILITY

C. A Personal Auto Policy shall be used to afford coverage to motorcycles, golfcarts or other similar type vehicles and snowmobiles not used for commercial purposes, if:

1. They are written on a specified vehicle basis; and
2. Coverage is limited in accordance with the Miscellaneous Type Vehicle Endorsement [NC 03 23](#) or [Snowmobile Endorsement NC 03 20](#).

G. Vehicles Held In Trust

A Personal Auto Policy shall be used to afford coverage to:

- Private passenger autos and motor vehicles considered as private passenger autos in Rule 1.;
- Trailers designed for use with private passenger autos as described in Rule 19.A.;
- Motorcycles, golf carts or other similar type vehicles and snowmobiles not used for commercial purposes;
- Private passenger autos not owned by a natural person and not rated as part of a fleet as described in Rule 2.E.; ~~and~~
- Five or more four-wheeled private passenger autos as described in Rule 2.F.; ~~and~~
- [Low speed vehicles and modified utility vehicles.](#)

H. A Personal Auto Policy shall be used to afford coverage to low speed vehicles and modified utility vehicles, if:

1. They are written on a specified vehicle basis; and
2. Coverage is limited in accordance with the Low Speed Vehicle And Modified Utility Vehicle Endorsement [NC 03 24](#).

North Carolina
Personal Auto Manual

5. SAFE DRIVER INSURANCE PLAN (SDIP)

ACCIDENTS RESULTING IN PROPERTY DAMAGE ONLY

For accidents that occur prior to March 1, 2016

- ~~(1) Three points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$3,000 or more.~~
- ~~(2) Two points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, in excess of \$1,800 but less than \$3,000.~~
- ~~(3) One point shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$1,800 or less.~~

For accidents that occur on or after March 1, 2016 and prior to October 1, 2017

- ~~(1) Three points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$3,085 or more.~~
- ~~(2) Two points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, in excess of \$1,850 but less than \$3,085.~~
- ~~(3) One point shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$1,850 or less.~~

For accidents that occur on or after October 1, 2017

The remainder of the rule is unchanged.

**North Carolina
Personal Auto Manual**

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

1. Owners – (Class Code – Refer to Statistical Plan)

a. Rates

For limits other than those shown, charge the premium for the next higher limit.

- * For the purposes of this rule, the term vehicle includes a private passenger auto, [low speed vehicle, modified utility vehicle](#), motorcycle, golf [mobile cart](#) or other miscellaneous type vehicle.
- * These rates are not subject to modification under the provisions of any rating plan or other manual rule.

B. Combined Uninsured/Underinsured Motorists Coverage

1. Owners – (Class Code – Refer to Statistical Plan)

2. Rates

For limits other than those shown, charge the premium for the next higher limit.

- * For the purposes of this rule, the term vehicle includes a private passenger auto, [low speed vehicle, modified utility vehicle](#), motorcycle, golf [mobile cart](#) or other miscellaneous type vehicle.
- These total rates are not subject to modification under the provisions of any rating plan or other manual rule.

The remainder of the rule is unchanged.

North Carolina
Personal Auto Manual

19. MISCELLANEOUS TYPES

A. Trailers Designed for Use with Private Passenger Autos

Physical Damage Coverages Only

Trailers are to be insured as separate items with separate premiums shown for each unit. If deductible coverage is written, the deductible shall apply separately to each unit. Attach Coverage For Damage To Your Auto (Maximum Limit Of Liability) Endorsement NC 03 08.

C. ~~SNOWMOBILES~~Snowmobiles and similar vehicles equipped for travel over ice and snow, used principally off public roads, shall be rated as follows:

~~9. The applicable endorsement shall be attached to the policy. Attach Snowmobile Endorsement NC 03 20 and Coverage For Damage to Your Auto (Maximum Limit of Liability) Endorsement NC 03 08.~~

D. Golfmobiles ~~Carts~~

~~Vehicles commonly known as Golfmobiles~~Golf Carts, used principally off public roads, not used for commercial purposes, with capacity to carry one or more persons.

Note

~~Vehicles of this type not meeting the above qualifications, rate as a motorcycle.~~

E. Antique Autos

An antique auto is a motor vehicle of the private passenger type which is 25 or more years old that is maintained solely for use in exhibitions, club activities, parades and other functions of public interest, and occasionally used for other purposes.

Physical Damage Coverages Only

These vehicles are to be insured on Stated Amount basis only. The rates are as shown below (Class Code 962000). Attach Coverage For Damage To Your Auto (Maximum Limit of Liability) Endorsement NC 03 08.

F. Classic Autos

A classic auto is a motor vehicle of the private passenger type which is 10 or more years old and may be used on a regular basis. Its value is significantly higher than the average value of other autos of the same make and model year.

Liability, Medical Payments, Uninsured and Underinsured Motorists

Classify and rate as a private passenger auto.

Physical Damage

Attach ~~the c~~Coverage ~~f~~For ~~d~~Damage ~~t~~To ~~y~~Your ~~a~~Auto (stated amount ~~m~~Maximum ~~l~~limit ~~o~~Of ~~l~~Liability) ~~e~~Endorsement NC 03 08.

The remainder of the rule is unchanged.

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**North Carolina
Personal Auto Manual**

2. PERSONAL AUTO POLICY – ELIGIBILITY

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1. They are written on a specified vehicle basis; and
 2. Coverage is limited in accordance with the Miscellaneous Type Vehicle Endorsement **NC 03 23** or Snowmobile Endorsement **NC 03 20**.

G. Vehicles Held In Trust

A Personal Auto Policy shall be used to afford coverage to:

- Private passenger autos and motor vehicles considered as private passenger autos in Rule **1.**;
- Trailers designed for use with private passenger autos as described in Rule **19.A.**;
- Motorcycles, golf carts or other similar type vehicles and snowmobiles not used for commercial purposes;
- Private passenger autos not owned by a natural person and not rated as part of a fleet as described in Rule **2.E.**;
- Five or more four-wheeled private passenger autos as described in Rule **2.F.**; and
- Low speed vehicles and modified utility vehicles.

- H.** A Personal Auto Policy shall be used to afford coverage to low speed vehicles and modified utility vehicles, if:
1. They are written on a specified vehicle basis; and
 2. Coverage is limited in accordance with the Low Speed Vehicle And Modified Utility Vehicle Endorsement **NC 03 24**.

**North Carolina
Personal Auto Manual**

5. SAFE DRIVER INSURANCE PLAN (SDIP)

ACCIDENTS RESULTING IN PROPERTY DAMAGE ONLY

The remainder of the rule is unchanged.

**North Carolina
Personal Auto Manual**

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1. Owners – (Class Code – Refer to Statistical Plan)

a. Rates

For limits other than those shown, charge the premium for the next higher limit.

- * For the purposes of this rule, the term vehicle includes a private passenger auto, low speed vehicle, modified utility vehicle, motorcycle, golf cart or other miscellaneous type vehicle.
- * These rates are not subject to modification under the provisions of any rating plan or other manual rule.

B. Combined Uninsured/Underinsured Motorists Coverage

1. Owners – (Class Code – Refer to Statistical Plan)

2. Rates

For limits other than those shown, charge the premium for the next higher limit.

- * For the purposes of this rule, the term vehicle includes a private passenger auto, low speed vehicle, modified utility vehicle, motorcycle, golf cart or other miscellaneous type vehicle.

These total rates are not subject to modification under the provisions of any rating plan or other manual rule.

The remainder of the rule is unchanged.

**North Carolina
Personal Auto Manual**

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A. Trailers Designed for Use with Private Passenger Autos

Physical Damage Coverages Only

Trailers are to be insured as separate items with separate premiums shown for each unit. If deductible coverage is written, the deductible shall apply separately to each unit. Attach Coverage For Damage To Your Auto (Maximum Limit Of Liability) Endorsement **NC 03 08**.

C. Snowmobiles and similar vehicles equipped for travel over ice and snow, used principally off public roads, shall be rated as follows:

9. Attach Snowmobile Endorsement **NC 03 20** and Coverage For Damage to Your Auto (Maximum Limit of Liability) Endorsement **NC 03 08**.

D. Golf Carts

Golf Carts not used for commercial purposes, with capacity to carry one or more persons.

E. Antique Autos

An antique auto is a motor vehicle of the private passenger type which is 25 or more years old that is maintained solely for use in exhibitions, club activities, parades and other functions of public interest, and occasionally used for other purposes.

Physical Damage Coverages Only

These vehicles are to be insured on Stated Amount basis only. The rates are as shown below (Class Code 962000). Attach Coverage For Damage To Your Auto (Maximum Limit of Liability) Endorsement **NC 03 08**.

F. Classic Autos

A classic auto is a motor vehicle of the private passenger type which is 10 or more years old and may be used on a regular basis. Its value is significantly higher than the average value of other autos of the same make and model year.

Liability, Medical Payments, Uninsured and Underinsured Motorists

Classify and rate as a private passenger auto.

Physical Damage

Attach Coverage For Damage To Your Auto (Maximum Limit Of Liability) Endorsement **NC 03 08**.

The remainder of the rule is unchanged.

NOTICE OF CANCELLATION OR REFUSAL TO RENEW (NORTH CAROLINA)

of _____

(Kind of Policy)

Policy Number	Issued through agency or office at:	Cancellation or Termination will take effect at (date) (Hour Standard Time)	Date of Notice
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THIS NOTICE MAILED TO:

Paragraph applicable is marked [x]

CANCELLATION OF EXISTING POLICY

You are hereby notified, in accordance with the terms and conditions of the above numbered policy and in accordance with law, that your insurance will cease at and from the hour and date indicated above. If premium has been paid, premium adjustment will be made as soon as practicable.

CANCELLATION OF EXISTING COVERAGE(S)

You are hereby notified, in accordance with the terms and conditions of the above numbered policy and in accordance with law, that your insurance for certain coverage(s) will cease at and from the hour and date indicated above. If premium has been paid for such coverage(s), premium adjustment will be made as soon as practicable.

Coverage(s) To Which This Cancellation Applies:

NON-RENEWAL OF PRESENT POLICY

You are hereby notified, in accordance with law, that the above numbered policy will expire effective at and from the hour and date indicated above and the policy will not be renewed.

NON-RENEWAL OF PRESENT COVERAGE(S)

You are hereby notified, in accordance with the terms and conditions of the above numbered policy and in accordance with law, that your insurance for certain coverage(s) will cease at and from the hour and date indicated above.

Coverage(s) To Which This Non-renewal Applies:

THIS ACTION HAS BEEN TAKEN FOR THE FOLLOWING SPECIFIC REASON OR REASONS

CONTINUOUS FINANCIAL RESPONSIBILITY (LIABILITY INSURANCE) REQUIRED

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Nothing in the following advisory language affects or modifies the notice of cancellation or the notice of nonrenewal above. YOU ARE CAUTIONED THAT UNDER NORTH CAROLINA LAW YOU MUST MAINTAIN FINANCIAL RESPONSIBILITY (LIABILITY INSURANCE) CONTINUOUSLY THROUGHOUT YOUR MOTOR VEHICLE'S REGISTRATION PERIOD. OPERATION OF A MOTOR VEHICLE WITHOUT MAINTAINING SUCH FINANCIAL RESPONSIBILITY IS A CLASS 3 MISDEMEANOR, AND THE PENALTIES FOR SUCH OPERATION INCLUDE LOSS OF YOUR VEHICLE'S LICENSE PLATE, IMPRISONMENT OF UP TO 20 DAYS, A FINE UP TO \$200 AND A PENALTY UP TO \$150.

If your liability coverage is being cancelled, you SHOULD contact your present agent or any other licensed agent to secure replacement insurance in order to maintain continuous financial responsibility.

INFORMATION REGARDING YOUR RIGHT TO A REVIEW

You are hereby advised that North Carolina law provides that you have the right to make a written request to the Commissioner of Insurance, within 10 days after you receive this notice, that the Commissioner review the action of the insurer. Your right to a review applies under the law only to the cancellation of or refusal to renew AUTOMOBILE LIABILITY, MEDICAL PAYMENTS AND UNINSURED MOTORISTS OR COMBINED UNINSURED/UNDERINSURED MOTORISTS INSURANCE coverages, NOT to the cancellation of or refusal to renew any other coverages, including collision or comprehensive coverages. Your request for a review by the Commissioner should be addressed to: Commissioner of Insurance, North Carolina Department of Insurance, 1201 Mail Service Center, Raleigh, North Carolina 27699-1201. You should clearly state the reasons for your request AND enclose a copy of this notice. If you deny the truth or accuracy of any reason or fact stated in this notice, you should state in your written request that you deny it and identify the particular reason or fact that you deny.

Company Name: _____

Address: _____

By: _____

(Authorized Signature)

[ENCL: Summary of Rights](#)

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NOTICE OF CANCELLATION OR REFUSAL TO RENEW (NORTH CAROLINA)

of _____

(Kind of Policy)

Policy Number	Issued through agency or office at:	Cancellation or Termination will take effect at (date) (Hour Standard Time)	Date of Notice
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THIS NOTICE MAILED TO:

Paragraph applicable is marked [x]

[] CANCELLATION OF EXISTING POLICY

You are hereby notified, in accordance with the terms and conditions of the above numbered policy and in accordance with law, that your insurance will cease at and from the hour and date indicated above. If premium has been paid, premium adjustment will be made as soon as practicable.

[] CANCELLATION OF EXISTING COVERAGE(S)

You are hereby notified, in accordance with the terms and conditions of the above numbered policy and in accordance with law, that your insurance for certain coverage(s) will cease at and from the hour and date indicated above. If premium has been paid for such coverage(s), premium adjustment will be made as soon as practicable.

Coverage(s) To Which This Cancellation Applies:

[] NON-RENEWAL OF PRESENT POLICY

You are hereby notified, in accordance with law, that the above numbered policy will expire effective at and from the hour and date indicated above and the policy will not be renewed.

[] NON-RENEWAL OF PRESENT COVERAGE(S)

You are hereby notified, in accordance with the terms and conditions of the above numbered policy and in accordance with law, that your insurance for certain coverage(s) will cease at and from the hour and date indicated above.

Coverage(s) To Which This Non-renewal Applies:

THIS ACTION HAS BEEN TAKEN FOR THE FOLLOWING SPECIFIC REASON OR REASONS

CONTINUOUS FINANCIAL RESPONSIBILITY (LIABILITY INSURANCE) REQUIRED

Nothing in the following advisory language affects or modifies the notice of cancellation or the notice of nonrenewal above. YOU ARE CAUTIONED THAT UNDER NORTH CAROLINA LAW YOU MUST

MAINTAIN FINANCIAL RESPONSIBILITY (LIABILITY INSURANCE) CONTINUOUSLY THROUGHOUT YOUR MOTOR VEHICLE'S REGISTRATION PERIOD. OPERATION OF A MOTOR VEHICLE WITHOUT MAINTAINING SUCH FINANCIAL RESPONSIBILITY IS A CLASS 3 MISDEMEANOR, AND THE PENALTIES FOR SUCH OPERATION INCLUDE LOSS OF YOUR VEHICLE'S LICENSE PLATE, IMPRISONMENT OF UP TO 20 DAYS, A FINE UP TO \$200 AND A PENALTY UP TO \$150.

If your liability coverage is being cancelled, you SHOULD contact your present agent or any other licensed agent to secure replacement insurance in order to maintain continuous financial responsibility.

INFORMATION REGARDING YOUR RIGHT TO A REVIEW

You are hereby advised that North Carolina law provides that you have the right to make a written request to the Commissioner of Insurance, within 10 days after you receive this notice, that the Commissioner review the action of the insurer. Your right to a review applies under the law only to the cancellation of or refusal to renew AUTOMOBILE LIABILITY, MEDICAL PAYMENTS AND UNINSURED MOTORISTS OR COMBINED UNINSURED/UNDERINSURED MOTORISTS INSURANCE coverages, NOT to the cancellation of or refusal to renew any other coverages, including collision or comprehensive coverages. Your request for a review by the Commissioner should be addressed to: Commissioner of Insurance, North Carolina Department of Insurance, 1201 Mail Service Center, Raleigh, North Carolina 27699-1201. You should clearly state the reasons for your request AND enclose a copy of this notice. If you deny the truth or accuracy of any reason or fact stated in this notice, you should state in your written request that you deny it and identify the particular reason or fact that you deny.

Company Name: _____

Address: _____

By: _____

(Authorized Signature)

ENCL: Summary of Rights

NOTICE OF ADVERSE ACTION (NORTH CAROLINA)

of _____

(Kind of Policy)

Policy/Reference Number	Issued through agency or office at:	Action will take effect at (date) (Hour Standard Time)	Date of Notice
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THIS NOTICE MAILED TO:

YOU ARE HEREBY NOTIFIED THAT THE FOLLOWING ACTION IS BEING TAKEN:

THIS ACTION HAS BEEN TAKEN FOR THE FOLLOWING SPECIFIC REASON OR REASONS:

CONTINUOUS FINANCIAL RESPONSIBILITY (LIABILITY INSURANCE) REQUIRED

Nothing in the following advisory language affects or modifies the notice above. YOU ARE CAUTIONED THAT UNDER NORTH CAROLINA LAW YOU MUST MAINTAIN FINANCIAL RESPONSIBILITY (LIABILITY INSURANCE) CONTINUOUSLY THROUGHOUT YOUR MOTOR VEHICLE'S REGISTRATION PERIOD. OPERATION OF A MOTOR VEHICLE WITHOUT MAINTAINING SUCH FINANCIAL RESPONSIBILITY IS A CLASS 3 MISDEMEANOR, AND THE PENALTIES FOR SUCH OPERATION INCLUDE LOSS OF YOUR VEHICLE'S LICENSE PLATE, IMPRISONMENT OF UP TO 20 DAYS, A FINE UP TO \$200 AND A PENALTY UP TO \$150.

If your liability coverage is being cancelled, you SHOULD contact your present agent or any other licensed agent to secure replacement insurance in order to maintain continuous financial responsibility.

INFORMATION REGARDING YOUR RIGHT TO A REVIEW

You are hereby advised that, in accordance with NCGS 58-39-55(b), within 90 business days from the date of the mailing of the adverse action notice or other communication of an adverse underwriting decision to you, you have the right to make a written request for information to the insurance institution or agent.

Company Name: _____

Address: _____

By: _____

(Authorized Signature)

ENCL: Summary of Rights

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AMENDATORY ENDORSEMENT

This endorsement is a part of your policy. Except for the changes it makes, all other terms of the policy remain the same and apply to this endorsement.

1. DEFINITIONS

A. The definition of "**newly acquired auto**" is amended as follows:

"**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 14,000 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**.

B. The definition of "**transportation network platform**" is added:

"**Transportation network platform**" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

C. The definition of "**delivery network platform**" is added:

"**Delivery network platform**" means an online-enabled application or digital network, used to connect customers:

1. With drivers; or
2. With local vendors using drivers;

for the purpose of providing prearranged delivery services, including courier services, for compensation. A **delivery network platform** does not include a **transportation network platform**.

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2. PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

A. Exclusion 1. Is deleted and replaced by the following:

We will not pay for:

1. Loss to **your covered auto** or any **non-owned auto** which occurs while it is being used:

a. As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** or any **non-owned auto** is being used by any person who is logged into a:

(1) **Transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle.

(2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.

b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (1.) does not apply:

a. To a share-the-expense car pool; or
b. While **your covered auto** or any **non-owned auto** is being used for volunteer or charitable purposes.

B. Exclusion 9 is changed by deleting the following:

This exclusion does not apply to the interests of Loss Payees in **your covered auto**.

C. The following exclusions ~~14, and~~ 15, and 16 are added:

We will not pay for:

14. Loss to your **covered auto** or any **non-owned auto** while participating in any prearranged, organized, or spontaneous:

a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or

b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 14.a. above.

15. Loss to **your covered auto** which occurs while being used by anyone other than you or any **family member** in exchange for compensation.

16. 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.

3. PART E – DUTIES AFTER AN ACCIDENT OR LOSS – FILING A CLAIM

Part E is amended as follows:

A. Paragraph 3. of the **Additional Duties For Coverage For Damage To Your Auto** provision is replaced by the following:

3. Permit us to inspect and appraise the damaged property, including but not limited to any damaged glass or windshield, before its repair, replacement or disposal.

4. PART F – GENERAL PROVISIONS

Other Termination Provisions is deleted and replaced by the following:

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;
c. modifies any of the stated termination reasons; or;

d. adds any additional termination reasons; we will comply with those requirements and this policy shall be deemed amended to include any such change in the law.

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.

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4. The effective date of cancellation stated in the notice shall become the end of the policy period.

The following is added to the **Transfer Of Your Interest In This Policy** provision:

The benefits of this Policy that may be available to you following a covered loss may not be assigned unless:

1. All duties listed under the Additional Duties For Damage To Your Auto provision in Part E – **Duties After An Accident Or Loss – Filing A Claim** are performed by a person seeking coverage;

2. An inspection of the damage has been conducted by an adjuster authorized by us, or we give our consent; and
3. Any Assignee receiving a benefit under this Policy assigned under this provision for damage to your covered auto is subject to all duties and conditions under the policy. This includes the Appraisal Clause under Part D -**Coverage For Damage To Your Auto** to resolve disagreements on the amount of loss.

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AMENDATORY ENDORSEMENT

This endorsement is a part of your policy. Except for the changes it makes, all other terms of the policy remain the same and apply to this endorsement.

1. DEFINITIONS

A. The definition of "**newly acquired auto**" is amended as follows:

"**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 14,000 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**.

B. The definition of "**transportation network platform**" is added:

"**Transportation network platform**" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

C. The definition of "**delivery network platform**" is added:

"**Delivery network platform**" means an online-enabled application or digital network, used to connect customers:

1. With drivers; or
2. With local vendors using drivers;

for the purpose of providing prearranged delivery services, including courier services, for compensation. A **delivery network platform** does not include a **transportation network platform**.

2. PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

A. Exclusion 1. Is deleted and replaced by the following:

We will not pay for:

1. Loss to **your covered auto** or any **non-owned auto** which occurs while it is being used:

a. As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** or any **non-owned auto** is being used by any person who is logged into a:

(1) **Transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle.

(2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.

b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (1.) does not apply:

a. To a share-the-expense car pool; or
b. While **your covered auto** or any **non-owned auto** is being used for volunteer or charitable purposes.

B. Exclusion 9 is changed by deleting the following:

This exclusion does not apply to the interests of Loss Payees in **your covered auto**.

C. The following exclusions 14,15, and 16 are added:

We will not pay for:

14. Loss to your **covered auto** or any **non-owned auto** while participating in any prearranged, organized, or spontaneous:

a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or

b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 14.a. above.

15. Loss to **your covered auto** which occurs while being used by anyone other than you or any **family member** in exchange for compensation.

16. 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.

3. PART E – DUTIES AFTER AN ACCIDENT OR LOSS – FILING A CLAIM

Part E is amended as follows:

A. Paragraph 3. of the **Additional Duties For Coverage For Damage To Your Auto** provision is replaced by the following:

3. Permit us to inspect and appraise the damaged property, including but not limited to any damaged glass or windshield, before its repair, replacement or disposal.

4. PART F – GENERAL PROVISIONS

Other Termination Provisions is deleted and replaced by the following:

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;

c. modifies any of the stated termination reasons; or;

d. adds any additional termination reasons; we will comply with those requirements and this policy shall be deemed amended to include any such change in the law.

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.

The following is added to the **Transfer Of Your Interest In This Policy** provision:

The benefits of this Policy that may be available to you following a covered loss may not be assigned unless:

1. All duties listed under the Additional Duties For Damage To Your Auto provision in Part E – **Duties After An Accident Or Loss – Filing A Claim** are performed by a person seeking coverage;

2. An inspection of the damage has been conducted by an adjuster authorized by us, or we give our consent; and

3. Any Assignee receiving a benefit under this Policy assigned under this provision for damage to your covered auto is subject to all duties and conditions under the policy. This includes the Appraisal Clause under Part D -**Coverage For Damage To Your Auto** to resolve disagreements on the amount of loss.

AMENDATORY ENDORSEMENT

This endorsement is a part of your policy. Except for the changes it makes, all other terms of the policy remain the same and apply to this endorsement.

1. DEFINITIONS

A. The definition of "**newly acquired auto**" is amended as follows:

"**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 14,000 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**.

B. The definition of "**transportation network platform**" is added:

"**Transportation network platform**" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

C. The definition of "**delivery network platform**" is added:

"**Delivery network platform**" means an online-enabled application or digital network, used to connect customers:

1. With drivers; or
2. With local vendors using drivers;

for the purpose of providing prearranged delivery services, including courier services, for compensation. A **delivery network platform** does not include a **transportation network platform**.

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2. Part A – LIABILITY COVERAGE

Part A is amended as follows:

- A. Exclusion A.2. is deleted and replaced by the following:

We do not provide Liability Coverage for any **insured**:

2. For **property damage** to property:
 - a. owned in whole or in part by that **insured**; or
 - b. being transported by that **insured**;

- B. Exclusion A.5. is deleted and replaced by the following:

We do not provide Liability Coverage for any **insured**:

5. For that **insured's** liability arising out of the ownership or operation of a vehicle while it is being used:
 - a. As a public or livery conveyance. This includes but is not limited to any period of time a vehicle is being used by any **insured** who is logged into a:
 - (1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.
 - (2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.
 - b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (A.5.) does not apply to:

- a. A share-the-expense car pool; or
- b. The ownership or operation of a vehicle while it is being used for volunteer or charitable purposes.

- C. The following Exclusion A.10. is added:

We do not provide Liability Coverage for any **insured**:

10. For the ownership, maintenance or use of **your covered auto** while being used by anyone other than you or any **family member** in exchange for compensation.

- D. The following Exclusion B.3. is added:

We do not provide Liability Coverage for the ownership, maintenance or use of:

3. Any vehicle while participating in any prearranged, organized, or spontaneous:
 - a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or
 - b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 3.a. above.

This exclusion applies only to the extent that the limit of liability of this policy exceeds the minimum limit required by the financial responsibility law of North Carolina.

- E. The following provision is added following the **Other Insurance** provision:

Appraisal – Diminution in Value

If there is no dispute between the claimant and us regarding the **insured's** liability for the property damage to the claimant's vehicle, but:

- a. the claimant and we fail to agree as to the difference in fair market value of the vehicle immediately before the accident and immediately after the accident; and
- b. the difference in the claimant's and our estimate of the diminution in fair market value is greater than two thousand dollars (\$2,000) or twenty-five percent (25%) of the fair market retail value of the vehicle prior to the accident as determined by the latest edition of the National Automobile Dealers Association Pricing Guide Book or other publications approved by the Commissioner of Insurance, whichever is less; then

on the written demand of either the claimant or us, the dispute regarding the amount of the diminution in value shall be determined by appraisal in accordance with G.S. 20-279.21(d1).

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3. Part B – MEDICAL PAYMENTS COVERAGE

A. Exclusion 1. is deleted and replaced by the following:

We do not provide Medical Payments Coverage for any **insured** for **bodily injury**:

1. Sustained while occupying **your covered auto** when it is being used:

a. As a public or livery conveyance. This includes but is not limited to any period of time your **covered auto** is being used by any **insured** who is logged into a:

(1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.

(2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.

b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (1.) does not apply:

a. To a share-the-expense car pool; or

b. While **your covered auto** is being used for volunteer or charitable purposes.

B. The following Exclusions 12. and 13. are added:

We do not provide Medical Payments Coverage for any **insured** for **bodily injury**:

12. Sustained while **occupying** any vehicle participating in any prearranged, organized, or spontaneous:

a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or

b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 12.a. above.

13. Sustained while **occupying**, or when struck by, **your covered auto** while being used by anyone other than you or any **family member** in exchange for compensation.

4. Part C1 – UNINSURED MOTORISTS COVERAGE

Part C1 is amended as follows:

A. Exclusion A.2. is deleted and replaced by the following:

We do not provide Uninsured Motorists Coverage for **property damage** or **bodily injury** sustained by any **insured**:

2. When **your covered auto** is being used:

a. As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** is being used by any **insured** who is logged into a:

(1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.

(2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.

b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (A.2.) does not apply:

a. To a share-the-expense car pool; or

b. When **your covered auto** is being used for volunteer or charitable purposes.

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

We do not provide Uninsured Motorists Coverage for **property damage** or **bodily injury** sustained by any **insured**:

8. When **your covered auto** is being used by anyone other than you or any **family member** in exchange for compensation.

C. The third paragraph of **Limit of Liability** is deleted and replaced by the following:

The limits of bodily injury liability shown in the [Schedule or] 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; and

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2. 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:

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

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.

- D. The first paragraph of **Arbitration** is deleted and replaced by the following:

If we and an **insured** do not agree:

1. Whether that **insured** is legally entitled to recover compensatory damages from the owner or operator of an **uninsured motor vehicle**; or
2. As to the amount of such compensatory damages;

then the **insured** may demand to settle these disputed issues by arbitration. If an **insured** files a lawsuit against us or an owner or operator of an **uninsured motor vehicle** seeking damages that are the subject of the claim for Uninsured Motorists Coverage under this policy, the **insured** shall have the right to demand arbitration only if such lawsuit is filed within the time limit required by the law of the state where the accident occurred for filing a lawsuit against the owner or operator of the **uninsured motor vehicle** for the damages arising out of the accident and only if the **insured** gives us a written demand for arbitration within (30) days after the filing of such lawsuit.

- E. Item 5. of **Arbitration** is deleted and the remaining paragraphs are renumbered appropriately.

5. Part C2 – COMBINED UNINSURED/UNDER-INSURED MOTORISTS COVERAGE

Part C2 is amended as follows:

- A. Exclusion A.2. Is deleted and replaced by the following:

We do not provide coverage for **property damage** or **bodily injury** caused by an uninsured motor vehicle and sustained by any **insured**:

2. When **your covered auto** is being used:

- a. As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** is being used by any **insured** who is logged into a:

- (1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.
- (2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.

- b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (A.2.) does not apply:

- a. To a share-the-expense car pool; or
- b. When **your covered auto** is being used for volunteer or charitable purposes.

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

We do not provide coverage for **property damage** or **bodily injury** caused by an uninsured motor vehicle and sustained by any **insured**:

8. When **your covered auto** is being used by anyone other than you or any **family member** in exchange for compensation.

- C. Exclusion C.2. is deleted and replaced by the following:

We do not provide coverage for **bodily injury** caused by an **underinsured motor vehicle** and sustained by any **insured**:

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2. When **your covered auto** is being used:

a. As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** is being used by any **insured** who is logged into a:

- (1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.
- (2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.

This exclusion (2.a.) does not apply to a share-the-expense car pool.

b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (C.2.) does not apply:

- a. To a share-the-expense car pool; or
- b. When **your covered auto** is being used for volunteer or charitable purposes.

D. The following Exclusion C.6. is added:

We do not provide coverage for **bodily injury** caused by an **underinsured motor vehicle** and sustained by any **insured**:

6. While **occupying**, or when struck by, **your covered auto** while being used by anyone other than you or any **family member** in exchange for compensation.

E. The fourth and fifth paragraphs of **Limit of Liability** are deleted and replaced by the following:

The limits of bodily injury liability shown in the [Schedule or] 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; and

2. 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:

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

F. The first paragraph of **Arbitration** is deleted and replaced by the following:

If we and an **insured** do not agree:

1. Whether that **insured** is legally entitled to recover compensatory damages from the owner or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**; or
2. As to the amount of such compensatory damages;

then the **insured** may demand to settle these disputed issues by arbitration.

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For purposes of an:

1. Uninsured Motorists Coverage claim, if an **insured** files a lawsuit against us or an owner or operator of an **uninsured motor vehicle** seeking damages that are the subject of the claim for Uninsured Motorists Coverage under this policy, the **insured** shall have the right to demand arbitration only if such lawsuit is filed within the time limit required by the laws of the state where the accident occurred for filing a lawsuit against the owner or operator of the **uninsured motor vehicle** for the damages arising out of the accident and only if the **insured** gives us a written demand for arbitration within thirty (30) days after the filing of such lawsuit.
2. Underinsured Motorists Coverage claim, if an **insured** files a lawsuit against an owner or operator of an **underinsured motor vehicle** seeking damages that are the subject of the claim for Underinsured Motorists Coverage under this policy, the **insured** shall have the right to demand arbitration only if the **insured** gives us a written demand for arbitration within thirty (30) days after the later of:
 - a. The date we advance payment to the **insured** in an amount equal to a tentative settlement between the **insured** and the owner or operator of the **underinsured motor vehicle**;
 - b. The date any applicable liability bonds or policies have been exhausted by payments of judgments or settlements; or
 - c. The date the **insured** files a lawsuit against an owner or operator of an **underinsured motor vehicle** seeking damages that are the subject of the claim for Underinsured Motorists Coverage under this policy, provided that such lawsuit is filed within the time limit required by the laws of the state where the accident occurred for filing a lawsuit against the owner or operator of the **underinsured motor vehicle** for the damages arising out of the accident.

G. Item 5. of **Arbitration** is deleted and the remaining paragraphs are renumbered appropriately.

6. PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

A. Exclusion 1. Is replaced by the following:

We will not pay for:

1. Loss to **your covered auto** or any **non-owned auto** which occurs while it is being used:
 - a. As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** or any **non-owned auto** is being used by any person who is logged into a:
 - (1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.
 - (2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.
 - b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (1.) does not apply:

- a. To a share-the-expense car pool; or
- b. While **your covered auto** or any **non-owned auto** is being used for volunteer or charitable purposes.

B. Exclusion 9. is changed by deleting the following:

This exclusion does not apply to the interests of Loss Payees in **your covered auto**.

C. The following Exclusions 14 ~~, and~~ 15, and 16 are added:

We will not pay for:

14. Loss to **your covered auto** or any **non-owned auto** while participating in any prearranged, organized, or spontaneous:
 - a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or

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- b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 14.a. above.

- 15. Loss to **your covered auto** which occurs while being used by anyone other than you or any **family member** in exchange for compensation.

16. 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.

7. Part E – DUTIES AFTER AN ACCIDENT OR LOSS – FILING A CLAIM

Part E is amended as follows:

- A. Paragraph 3. of the **Additional Duties For Coverage For Damage To Your Auto** provision is replaced by the following:

- 3. Permit us to inspect and appraise the damaged property, including but not limited to any damaged glass or windshield, before its repair, replacement or disposal.

8. Part F – GENERAL PROVISIONS

Part F is amended as follows:

- A. The following is added to paragraph 4 of the **Cancellation** provision:

- g. The named **insured** is no longer an eligible risk under G.S. 58-37-1.
- h. Any other reason permitted by the North Carolina General Statutes.

- B. **Other Termination Provisions** is deleted and replaced by the following:

- 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;
 - c. modifies any of the stated termination reasons; or;

- d. adds any additional termination reasons; we will comply with those requirements and this policy shall be deemed amended to include any such change in the law.

- 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.

- C. The following is added to the **Transfer Of Your Interest In This Policy** provision:

The benefits of this Policy that may be available to you following a covered loss may not be assigned unless:

- 1. All duties listed under the **Additional Duties For Damage To Your Auto** provision in Part E – **Duties After An Accident Or Loss – Filing A Claim** are performed by a person seeking coverage;
- 2. An inspection of the damage has been conducted by an adjuster authorized by us, or we give our consent; and
- 3. Any Assignee receiving a benefit under this Policy assigned under this provision for damage to **your covered auto** is subject to all duties and conditions under the policy. This includes the Appraisal Clause under Part D - **Coverage For Damage To Your Auto** to resolve disagreements on the amount of loss.

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AMENDATORY ENDORSEMENT

This endorsement is a part of your policy. Except for the changes it makes, all other terms of the policy remain the same and apply to this endorsement.

1. DEFINITIONS

A. The definition of "**newly acquired auto**" is amended as follows:

"**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 14,000 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**.

B. The definition of "**transportation network platform**" is added:

"**Transportation network platform**" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

C. The definition of "**delivery network platform**" is added:

"**Delivery network platform**" means an online-enabled application or digital network, used to connect customers:

1. With drivers; or
2. With local vendors using drivers;

for the purpose of providing prearranged delivery services, including courier services, for compensation. A **delivery network platform** does not include a **transportation network platform**.

2. Part A – LIABILITY COVERAGE

Part A is amended as follows:

- A. Exclusion A.2. is deleted and replaced by the following:

We do not provide Liability Coverage for any **insured**:

2. For **property damage** to property:
 - a. owned in whole or in part by that **insured**; or
 - b. being transported by that **insured**;

- B. Exclusion A.5. is deleted and replaced by the following:

We do not provide Liability Coverage for any **insured**:

5. For that **insured's** liability arising out of the ownership or operation of a vehicle while it is being used:

- a. As a public or livery conveyance. This includes but is not limited to any period of time a vehicle is being used by any **insured** who is logged into a:

- (1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.

- (2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.

- b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (A.5.) does not apply to:

- a. A share-the-expense car pool; or
- b. The ownership or operation of a vehicle while it is being used for volunteer or charitable purposes.

- C. The following Exclusion A.10. is added:

We do not provide Liability Coverage for any **insured**:

10. For the ownership, maintenance or use of **your covered auto** while being used by anyone other than you or any **family member** in exchange for compensation.

- D. The following Exclusion B.3. is added:

We do not provide Liability Coverage for the ownership, maintenance or use of:

3. Any vehicle while participating in any prearranged, organized, or spontaneous:

- a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or

- b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 3.a. above.

This exclusion applies only to the extent that the limit of liability of this policy exceeds the minimum limit required by the financial responsibility law of North Carolina.

- E. The following provision is added following the **Other Insurance** provision:

Appraisal – Diminution in Value

If there is no dispute between the claimant and us regarding the **insured's** liability for the property damage to the claimant's vehicle, but:

- a. the claimant and we fail to agree as to the difference in fair market value of the vehicle immediately before the accident and immediately after the accident; and

- b. the difference in the claimant's and our estimate of the diminution in fair market value is greater than two thousand dollars (\$2,000) or twenty-five percent (25%) of the fair market retail value of the vehicle prior to the accident as determined by the latest edition of the National Automobile Dealers Association Pricing Guide Book or other publications approved by the Commissioner of Insurance, whichever is less; then

on the written demand of either the claimant or us, the dispute regarding the amount of the diminution in value shall be determined by appraisal in accordance with G.S. 20-279.21(d1).

3. Part B – MEDICAL PAYMENTS COVERAGE

A. Exclusion 1. is deleted and replaced by the following:

We do not provide Medical Payments Coverage for any **insured** for **bodily injury**:

1. Sustained while occupying **your covered auto** when it is being used:
 - a. As a public or livery conveyance. This includes but is not limited to any period of time your **covered auto** is being used by any **insured** who is logged into a:
 - (1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.
 - (2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.
 - b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (1.) does not apply:

- a. To a share-the-expense car pool; or
- b. While **your covered auto** is being used for volunteer or charitable purposes.

B. The following Exclusions 12. and 13. are added:

We do not provide Medical Payments Coverage for any **insured** for **bodily injury**:

12. Sustained while **occupying** any vehicle participating in any prearranged, organized, or spontaneous:
 - a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or
 - b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 12.a. above.
13. Sustained while **occupying**, or when struck by, **your covered auto** while being used by anyone other than you or any **family member** in exchange for compensation.

4. Part C1 – UNINSURED MOTORISTS COVERAGE

Part C1 is amended as follows:

A. Exclusion A.2. is deleted and replaced by the following:

We do not provide Uninsured Motorists Coverage for **property damage** or **bodily injury** sustained by any **insured**:

2. When **your covered auto** is being used:
 - a. As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** is being used by any **insured** who is logged into a:
 - (1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.
 - (2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.
 - b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (A.2.) does not apply:

- a. To a share-the-expense car pool; or
- b. When **your covered auto** is being used for volunteer or charitable purposes.

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

We do not provide Uninsured Motorists Coverage for **property damage** or **bodily injury** sustained by any **insured**:

8. When **your covered auto** is being used by anyone other than you or any **family member** in exchange for compensation.

C. The third paragraph of **Limit of Liability** is deleted and replaced by the following:

The limits of bodily injury liability shown in the [Schedule or] 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; and

2. 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:

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

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.

- D. The first paragraph of **Arbitration** is deleted and replaced by the following:

If we and an **insured** do not agree:

1. Whether that **insured** is legally entitled to recover compensatory damages from the owner or operator of an **uninsured motor vehicle**; or
2. As to the amount of such compensatory damages;

then the **insured** may demand to settle these disputed issues by arbitration. If an **insured** files a lawsuit against us or an owner or operator of an **uninsured motor vehicle** seeking damages that are the subject of the claim for Uninsured Motorists Coverage under this policy, the **insured** shall have the right to demand arbitration only if such lawsuit is filed within the time limit required by the law of the state where the accident occurred for filing a lawsuit against the owner or operator of the **uninsured motor vehicle** for the damages arising out of the accident and only if the **insured** gives us a written demand for arbitration within (30) days after the filing of such lawsuit.

- E. Item 5. of **Arbitration** is deleted and the remaining paragraphs are renumbered appropriately.

5. Part C2 – COMBINED UNINSURED/UNDER-INSURED MOTORISTS COVERAGE

Part C2 is amended as follows:

- A. Exclusion A.2. Is deleted and replaced by the following:

We do not provide coverage for **property damage** or **bodily injury** caused by an uninsured motor vehicle and sustained by any **insured**:

2. When **your covered auto** is being used:

- a. As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** is being used by any **insured** who is logged into a:

- (1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.
- (2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.

- b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (A.2.) does not apply:

- a. To a share-the-expense car pool; or
- b. When **your covered auto** is being used for volunteer or charitable purposes.

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

We do not provide coverage for **property damage** or **bodily injury** caused by an uninsured motor vehicle and sustained by any **insured**:

8. When **your covered auto** is being used by anyone other than you or any **family member** in exchange for compensation.

- C. Exclusion C.2. is deleted and replaced by the following:

We do not provide coverage for **bodily injury** caused by an **underinsured motor vehicle** and sustained by any **insured**:

2. When **your covered auto** is being used:

a. As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** is being used by any **insured** who is logged into a:

- (1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.
- (2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.

This exclusion (2.a.) does not apply to a share-the-expense car pool.

b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (C.2.) does not apply:

- a. To a share-the-expense car pool; or
- b. When **your covered auto** is being used for volunteer or charitable purposes.

D. The following Exclusion C.6. is added:

We do not provide coverage for **bodily injury** caused by an **underinsured motor vehicle** and sustained by any **insured**:

6. While **occupying**, or when struck by, **your covered auto** while being used by anyone other than you or any **family member** in exchange for compensation.

E. The fourth and fifth paragraphs of **Limit of Liability** are deleted and replaced by the following:

The limits of bodily injury liability shown in the [Schedule or] 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; and

2. 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:

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

F. The first paragraph of **Arbitration** is deleted and replaced by the following:

If we and an **insured** do not agree:

1. Whether that **insured** is legally entitled to recover compensatory damages from the owner or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**; or
2. As to the amount of such compensatory damages;

then the **insured** may demand to settle these disputed issues by arbitration.

For purposes of an:

1. Uninsured Motorists Coverage claim, if an **insured** files a lawsuit against us or an owner or operator of an **uninsured motor vehicle** seeking damages that are the subject of the claim for Uninsured Motorists Coverage under this policy, the **insured** shall have the right to demand arbitration only if such lawsuit is filed within the time limit required by the laws of the state where the accident occurred for filing a lawsuit against the owner or operator of the **uninsured motor vehicle** for the damages arising out of the accident and only if the **insured** gives us a written demand for arbitration within thirty (30) days after the filing of such lawsuit.
2. Underinsured Motorists Coverage claim, if an **insured** files a lawsuit against an owner or operator of an **underinsured motor vehicle** seeking damages that are the subject of the claim for Underinsured Motorists Coverage under this policy, the **insured** shall have the right to demand arbitration only if the **insured** gives us a written demand for arbitration within thirty (30) days after the later of:
 - a. The date we advance payment to the **insured** in an amount equal to a tentative settlement between the **insured** and the owner or operator of the **underinsured motor vehicle**;
 - b. The date any applicable liability bonds or policies have been exhausted by payments of judgments or settlements; or
 - c. The date the **insured** files a lawsuit against an owner or operator of an **underinsured motor vehicle** seeking damages that are the subject of the claim for Underinsured Motorists Coverage under this policy, provided that such lawsuit is filed within the time limit required by the laws of the state where the accident occurred for filing a lawsuit against the owner or operator of the **underinsured motor vehicle** for the damages arising out of the accident.

G. Item 5. of **Arbitration** is deleted and the remaining paragraphs are renumbered appropriately.

6. PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

A. Exclusion 1. Is replaced by the following:

We will not pay for:

1. Loss to **your covered auto** or any **non-owned auto** which occurs while it is being used:
 - a. As a public or livery conveyance. This includes but is not limited to any period of time **your covered auto** or any **non-owned auto** is being used by any person who is logged into a:
 - (1) **Transportation network platform** as a driver, whether or not a passenger is occupying the vehicle.
 - (2) **Transportation network platform** or **delivery network platform** as a driver to provide delivery services, including courier services, whether or not the food, goods, items or products to be delivered are in the vehicle.
 - b. For the delivery of food, goods, items or products, including but not limited to newspapers and magazines, except as provided in Paragraph a.(2).

This exclusion (1.) does not apply:

- a. To a share-the-expense car pool; or
- b. While **your covered auto** or any **non-owned auto** is being used for volunteer or charitable purposes.

B. Exclusion 9. is changed by deleting the following:

This exclusion does not apply to the interests of Loss Payees in **your covered auto**.

C. The following Exclusions 14 ,15, and 16 are added:

We will not pay for:

14. Loss to **your covered auto** or any **non-owned auto** while participating in any prearranged, organized, or spontaneous:
 - a. racing contest, speed contest, demolition, stunt activity, or competitive driving event, or in practice or preparation for any such contest or use of this type; or

- b. use of a vehicle at a facility designed for racing or high performance driving unless such use is for an activity other than high performance driving, high speed driving, and other than those activities listed in 14.a. above.

15. Loss to **your covered auto** which occurs while being used by anyone other than you or any **family member** in exchange for compensation.

16. 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.

7. **Part E – DUTIES AFTER AN ACCIDENT OR LOSS – FILING A CLAIM**

Part E is amended as follows:

A. Paragraph 3. of the **Additional Duties For Coverage For Damage To Your Auto** provision is replaced by the following:

- 3. Permit us to inspect and appraise the damaged property, including but not limited to any damaged glass or windshield, before its repair, replacement or disposal.

8. **Part F – GENERAL PROVISIONS**

Part F is amended as follows:

A. The following is added to paragraph 4 of the **Cancellation** provision:

- g. The named **insured** is no longer an eligible risk under G.S. 58-37-1.
- h. Any other reason permitted by the North Carolina General Statutes.

B. **Other Termination Provisions** is deleted and replaced by the following:

- 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;
 - c. modifies any of the stated termination reasons; or;

d. adds any additional termination reasons; we will comply with those requirements and this policy shall be deemed amended to include any such change in the law.

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.

C. The following is added to the **Transfer Of Your Interest In This Policy** provision:

The benefits of this Policy that may be available to you following a covered loss may not be assigned unless:

- 1. All duties listed under the **Additional Duties For Damage To Your Auto** provision in Part E – **Duties After An Accident Or Loss – Filing A Claim** are performed by a person seeking coverage;
- 2. An inspection of the damage has been conducted by an adjuster authorized by us, or we give our consent; and
- 3. Any Assignee receiving a benefit under this Policy assigned under this provision for damage to **your covered auto** is subject to all duties and conditions under the policy. This includes the Appraisal Clause under Part D - **Coverage For Damage To Your Auto** to resolve disagreements on the amount of loss.