AMENDMENT OF POLICY PROVISIONS

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

This Amendment replaces Part D in its entirety.

PART D - PHYSICAL DAMAGE COVERAGE

DEFINITIONS

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

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

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

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

E. Nonowned vehicle.

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

2. A nonowned vehicle does not include any of the following vehicles used in any business or occupation other than farming or ranching:
   a. A pickup;
   b. A van; or
   c. A miscellaneous vehicle.

F. Repair.

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

2. Repair does not require:
   a. A return to the pre-loss market value of the property;
   b. Restoration, alteration, or replacement of undamaged property, unless such is needed for the operational safety of the vehicle; or
   c. Rekeying of locks following theft or misplacement of keys.
G. Your covered auto, as used in this Part, includes:

1. Equipment and accessories permanently installed in your covered auto.

2. A nonowned vehicle. If there is a loss to a nonowned vehicle, we will provide the broadest coverage shown on the Declarations.

INSURING AGREEMENT

A. Comprehensive Coverage (excluding collision).

1. Physical damage. We will pay for loss caused by other than collision to your covered auto, and equipment and accessories that are not permanently installed in your covered auto, minus any applicable deductible shown on the Declarations. The deductible will be waived for loss to window glass that can be repaired rather than replaced. In cases where the repair proves unsuccessful and the window glass must be replaced, the full amount of the deductible, if any, must be paid.

2. Transportation expenses. We will also pay:

   a. Up to $15 a day, to a maximum of $450, for transportation expenses incurred by you. This applies only in the event of a total theft of your covered auto. We will pay only transportation expenses incurred during the period beginning 48 hours after the theft and ending when your covered auto is returned to use or, if not recovered or not repairable, up to seven days after we have made a settlement offer.

   b. If Increased Rental Reimbursement Coverage is afforded, limits for transportation expenses are increased up to $30 per day to a maximum of $900.

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

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

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

   a. Your covered auto is withdrawn from use for more than 24 hours due to a loss, other than a total theft, to that auto; and

   b. The loss is covered under Comprehensive Coverage or caused by collision, and the cause of loss is not otherwise excluded under Part D of this policy.

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

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

1. Mechanical labor up to one hour at the place of breakdown.

2. Towing, to the nearest place where necessary repairs can be made during regular business hours, if the vehicle will not run or is stranded on or immediately next to a public road.

3. Delivery of gas to, or a change of tire on a disabled vehicle. However, we do not pay for the cost of these items.
LIMIT OF LIABILITY

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

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

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

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

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

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

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

1. Our limit of liability is the lesser of:
   a. The amount necessary to replace the damaged or stolen property; or
   b. $250.

2. We will not take a deduction for depreciation.

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

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

PAYMENT OF LOSS

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

LOSS PAYABLE CLAUSE

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

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

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

EXCLUSIONS

We will not pay for:

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

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

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

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

12. Loss resulting from use in any illicit or prohibited trade or transportation.
13. Any loss arising out of any act committed:

a. By or at the direction of you or any family member; and

b. With the intent to cause a loss.

This exclusion (13.) does not apply to an innocent co-insured when the loss results from a domestic violence situation and the innocent co-insured cooperates in the prosecution of the one committing the intentional act of domestic violence.

14. Loss caused by fungi, wet or dry rot, or bacteria. This means the presence, growth, proliferation, spread, or any activity of fungi, wet or dry rot, or bacteria. This exclusion (14.) does not apply to damage directly resulting from a loss covered under Comprehensive Coverage or Collision Coverage.

NO BENEFIT TO BAILEE

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

OTHER SOURCES OF RECOVERY

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

1. Any coverage provided by the owner of the nonowned vehicle.

2. Any other applicable physical damage insurance.

3. Any other source of recovery applicable to the loss.

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

APPRAISAL

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