

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINNESOTA UNINSURED AND UNDERINSURED MOTORISTS COVERAGE

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in Minnesota, this endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

SCHEDULE

Coverage	Limit Of Insurance
Uninsured Motorists Coverage:	\$ Each "Accident"
Underinsured Motorists Coverage:	\$ Each "Accident"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle" or "underinsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle" or "underinsured motor vehicle".
2. Any judgment for damages arising out of a "suit" brought against an uninsured or underinsured motorist is not binding on us unless we have:
 - a. Received reasonable notice of the commencement of the "suit" resulting in judgment; and
 - b. Had a reasonable opportunity to protect our interests in the "suit".

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a. The Named Insured and any "family members".
 - b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
 - a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

1. Any claim settled with the owner or operator of an "uninsured motor vehicle" without our consent.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. "Bodily injury" under Uninsured Motorists Coverage, if that "bodily injury" is sustained by:
 - a. An individual Named Insured while "occupying" a vehicle owned by that Named Insured that is not a covered "auto" for Uninsured Motorists Coverage; or
 - b. Any "family member" while "occupying" any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage.
4. "Bodily injury" under Underinsured Motorists Coverage, if that "bodily injury" is sustained by:
 - a. An Individual Named Insured while "occupying" a vehicle owned by that Named Insured that is not a covered "auto" for Underinsured Motorists Coverage; or
 - b. Any "family member" while "occupying" any vehicle owned by that "family member" that is not a covered "auto" for Underinsured Motorists Coverage.
5. Anyone using a vehicle without a reasonable belief that the person is entitled to do so. However, this exclusion does not apply to a "family member" who is not identified by name in any other contract for a plan of reparation security complying with the Minnesota no-fault insurance act, while using a covered "auto" which is owned by the Named Insured.

6. Punitive or exemplary damages.
7. "Bodily injury" arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident":
 - a. With an "uninsured motor vehicle" is the limit of Uninsured Motorists Coverage shown in the Schedule.
 - b. With an "underinsured motor vehicle" is the limit of Underinsured Motorists Coverage shown in the Schedule.

We will apply the limit of liability for each of these coverages as shown in the Schedule to provide separate limits required by law for uninsured and underinsured "bodily injury" liability.

2. Any amounts otherwise payable for damages under this insurance shall be reduced by all sums paid or payable or which would be paid or payable except for the application of a deductible under Personal Injury Protection applicable to the same element of loss.
3. We will not make a duplicate payment under this Coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.
4. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form, any Liability Coverage Form, or any Medical Payments Coverage Endorsement attached to this Coverage Part.

E. Changes In Conditions

The conditions are changed for Uninsured Motorists Coverage and Underinsured Motorists Coverage as follows:

1. The reference in **Other Insurance** in the Business Auto and Garage Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Truckers and Motor Carrier Coverage Forms to "other applicable insurance" applies only to other collectible uninsured motorists insurance and is replaced by the following:
 - a. With respect to coverage we provide when a covered "auto" the Named Insured owns is involved in an "accident", only:
 - (1) The Limit of Insurance for Uninsured Motorists Coverage applicable to that "auto" will apply for damages for which the owner or operator of the "uninsured motor vehicle" is legally responsible.
 - (2) The Limit of Insurance for Underinsured Motorists Coverage applicable to that "auto" will apply for damages for which the owner or operator of the "underinsured motor vehicle" is legally responsible.
 - b. If an "insured" sustains "bodily injury" while:
 - (1) "Occupying" a vehicle not owned by that person or while not "occupying" any vehicle; or
 - (2) "Occupying" a vehicle owned by the Named Insured or any "family member", if the Named Insured is an individual, and such vehicle is insured under one or more separate policies providing uninsured motorists or underinsured motorists insurance;

the following priorities of recovery apply:

First Priority	The policy affording Uninsured Motorists Coverage or Underinsured Motorists Coverage to the vehicle the "insured" was "occupying" at the time of the "accident".
Second Priority	Any Coverage Form or policy affording Uninsured Motorists Coverage or Underinsured Motorists Coverage to the "insured" as an individual Named Insured or "family member".

- (1) Where there is no applicable insurance available under the first priority, the maximum recovery under all Coverage Forms or policies in the second priority shall not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy.
- (2) Where there is applicable insurance available under the first priority:
 - (a) The Limit of Insurance applicable to the vehicle the "insured" was "occupying", under the Coverage Form or policy in the first priority, shall first be exhausted; and
 - (b) If there is other applicable insurance available under one or more policies or provisions of coverage:

The maximum recovery in the second priority under all coverage forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.

Any insurance we provide with respect to a vehicle the Named Insured does not own shall be excess over any collectible uninsured or underinsured motorists insurance providing coverage on a primary basis.

If the coverage under this coverage form is provided:

- (i) On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (ii) On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

- (3) We will pay only our share of the "loss", not to exceed our share of the maximum recovery. Our share is the proportion that our Limit of Insurance bears to the total of all applicable limits in the same level of priority.

2. Duties In The Event Of Accident, Claim, Suit Or Loss is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved; and
- b. Promptly send us copies of the legal papers if a "suit" is brought.

For an "underinsured motor vehicle", **Duties In The Event Of Accident, Claim, Suit Or Loss** is also changed by adding the following:

- a. Promptly notify us in writing of a tentative settlement between the "insured" and the insurer of an "underinsured motor vehicle". Such notice shall:
 - (1) Identify the "insured", the owner or driver of the "underinsured motor vehicle", and the insurer of the "underinsured motor vehicle";
 - (2) Disclose the limits of the automobile liability insurance available to the owner or driver of the "underinsured motor vehicle"; and
 - (3) Disclose the agreed upon amount of the tentative settlement; and
- b. Allow us 30 days to advance payment to that "insured" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such "underinsured motor vehicle".

3. Transfer Of Rights Of Recovery Against Others To Us is replaced by the following and supersedes any provision to the contrary:

- a. If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.
- b. If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

- c. For an "underinsured motor vehicle", Paragraph **3.a.** of the Transfer Of Rights Of Recovery Against Others To Us Condition does not apply if:

- (1) We have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and
- (2) We fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of such notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of written notification:

- (1) That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Underinsured Motorists Coverage; and
- (2) We also have a right to recover the advance payment.

- d. Our rights under Paragraph **3.a.** of this condition do not apply against any person or organization insured under this or any other Coverage Form we issue with respect to the same "accident" or "loss".

- e. Our rights under this condition do not apply against a person who is 21 years of age or older who:

- (1) Had control over the premises and, being in a reasonable position to prevent the consumption of alcoholic beverages, knowingly or recklessly permitted the consumption of alcoholic beverages that caused the intoxication of a person under 21 years of age; or
- (2) Sold, bartered, furnished or gave to, or purchased alcoholic beverages for a person under 21 years of age that caused the intoxication of a person under 21 years of age;

and that intoxicated person caused the injury, "loss" or damage for which payment was made under this policy.

- f. Our rights are subject to any applicable limitations contained in the Minnesota statutes.

4. The following condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

- 1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.
- 2. "Occupying" means in, upon, getting in, on, out or off.
- 3. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
 - a. To which (1) no bodily injury liability bond or policy applies at the time of an "accident" or (2) a bodily injury liability bond or policy applies at the time of the "accident" but its limit for bodily injury liability is less than the minimum limit for bodily injury liability specified by the Minnesota No-fault Automobile Insurance Act;
 - b. For which an insuring or bonding company denies coverage or is or becomes insolvent; or

- c. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an "insured", a covered "auto" or a vehicle an "insured" is "occupying", or must cause an "accident" resulting in "bodily injury" to an "insured" without hitting a covered "auto" or a vehicle an "insured" is "occupying".

However, "uninsured motor vehicle" does not include any vehicle or equipment:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who (1) denies coverage, (2) is or becomes insolvent or (3) cannot provide the amounts required by that motor vehicle law;
- b. Designed for use mainly off public roads while not on public roads;
- c. That is an "underinsured motor vehicle";
- d. Owned by or furnished or available for the regular use of an "insured";
- e. Operated on rails or crawler treads; or
- f. While located for use as a residence or premises.

- 4. "Underinsured motor vehicle" means a land motor vehicle or "trailer" for which a bodily injury liability bond or policy applies at the time of the "accident" in limits equal to or greater than the minimum limits specified by the Minnesota No-fault Automobile Insurance Act but its limit for "bodily injury" liability is not enough to pay the full amount the "insured" is legally entitled to recover as damages caused by the "accident".

However, "underinsured motor vehicle" does not include any vehicle or equipment:

- a. For which a liability bond or policy applies at the time of the "accident", but the bonding or insuring company (1) denies coverage or (2) is or becomes insolvent;
- b. Designed for use mainly off public roads while not on public roads;
- c. That is an "uninsured motor vehicle";
- d. Owned by or furnished or available for the regular use of an "insured";
- e. Operated on rails or crawler treads; or
- f. While located for use as a residence or premises.