

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT OF POLICY PROVISIONS – NORTH DAKOTA**

**SUBJECT TO THE PROVISIONS OF THIS POLICY, CONTRACTUAL LIABILITY COVERAGE IS PROVIDED FOR "PROPERTY DAMAGE" TO PRIVATE PASSENGER MOTOR VEHICLES RENTED UNDER WRITTEN CONTRACT FOR 30 CONTINUOUS DAYS OR LESS, PURSUANT TO THE PROVISIONS OF THE NORTH DAKOTA STATUTES. THEREFORE, DEPENDING ON THE PROVISIONS CONTAINED IN THE RENTAL CONTRACT, IT MAY NOT BE NECESSARY TO PURCHASE COVERAGE FOR "PROPERTY DAMAGE" TO PRIVATE PASSENGER MOTOR VEHICLES RENTED FOR 30 CONTINUOUS DAYS OR LESS. PRIVATE PASSENGER MOTOR VEHICLES INCLUDE STATION WAGONS, MINIVANS, VANS, AND PICKUPS AND DOES NOT INCLUDE MOTOR HOMES, MOTORCYCLES, OR TRUCKS OTHER THAN PICKUPS.**

**I. Definitions**

Paragraph 1. of the definition of "Newly acquired auto" is replaced by the following:

1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:
  - a. A private passenger auto;
  - b. A pickup or van, for which no other insurance policy provides coverage, that:
    - (1) Has a Gross Vehicle Weight of less than 10,000 lbs.; and
    - (2) Is not used for the delivery or transportation of goods and materials unless such use is:
      - (a) Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or
      - (b) For farming or ranching.
  - c. A motorhome, not rented to others, for which no other insurance policy provides coverage; or
  - d. A truck, for which no other insurance policy provides coverage, used in your farming or ranching operation. This does not include a tractor or semi-trailer unit.

**II. Part A – Liability Coverage**

Part A is amended as follows:

- A. Paragraph A. of the **Insuring Agreement** is replaced by the following:

**INSURING AGREEMENT**

We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements. We have the right to investigate, negotiate and settle any claim with or without your consent. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.

- B. The following is added to the **Supplementary Payments** Provision:

**SUPPLEMENTARY PAYMENTS**

In addition to our limit of liability, we will pay on behalf of an "insured":

Prejudgment interest awarded against the "insured" on that part of the judgment we pay. If we make an offer to pay our limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.

- C. Exclusion **A.3.** is replaced by the following:

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

3. For "property damage" to property:
  - a. Rented to;
  - b. Used by; or
  - c. In the care of;that "insured".

This exclusion (**A.3.**) does not apply to:

- a. "Property damage" to a residence or private garage; or

- b. Liability assumed under written contract for "property damage" to a private passenger motor vehicle rented by you or any "family member" for 30 continuous days or less.

D. The **Other Insurance** Provision is replaced by the following:

**OTHER INSURANCE**

If there is other applicable liability insurance:

1. 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.
2. Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance, including any applicable physical damage insurance provided under another policy. However, any insurance we provide for a vehicle you do not own will be primary insurance if the vehicle is insured under a policy affording coverage to a named insured engaged in the "business" of:

- a. Selling;
- b. Repairing;
- c. Servicing;
- d. Storing;
- e. Leasing; or
- f. Renting; or
- g. Parking;

motor vehicles. This applies only if an "insured":

- a. Is operating the vehicle; and
- b. Is neither the person engaged in such "business" nor that person's employee or agent.

**III. Part B – Medical Payments Coverage**

The **Other Insurance** Provision of Part B is replaced by the following:

**OTHER INSURANCE**

If there is other applicable auto medical payments insurance:

1. 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.
2. Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance. However, any insurance we provide for a vehicle you do not own will be primary insurance if the vehicle is insured under a policy affording coverage to a named insured engaged in the "business" of:

- a. Selling;
- b. Repairing;
- c. Servicing;
- d. Storing;
- e. Leasing;
- f. Renting; or
- g. Parking;

motor vehicles. This applies only if an "insured":

- a. Is operating the vehicle; and
- b. Is neither the person engaged in such "business" nor that person's employee or agent.

**IV. Part C – Uninsured Motorists Coverage**

Part C is replaced by the following:

We will pay damages for "bodily injury" an "insured" is legally entitled to collect from the owner or driver of an "uninsured motor vehicle". The "bodily injury" must be caused by accident arising out of the operation, maintenance or use of an "uninsured motor vehicle."

**Who Is An Insured?**

"Insured" means the person or persons covered by uninsured motorists coverage.

This is:

1. any person named in the Declarations;
2. his or her spouse if living with that person;
3. any "family member"; and
4. any other person while "occupying":
  - a. "your covered auto. Its use has to be within the scope of your consent.
  - b. an auto not owned by you or any person living in your household. It has to be driven by one of the persons in 1., 2. or 3. above. Its use has to be within the scope of the owner's consent.

Such other person "occupying" an auto used to carry persons for a charge other than on a share expense basis is not an "insured".

5. any person entitled to recover damages because of "bodily injury" to an "insured" under 1. through 4. above.

**Other Additional Definitions For Part C**

"Motor Vehicle" means a vehicle, excluding motor vehicles weighing more than twenty thousand pounds, having two or more load-bearing wheels, of a kind required to be registered under the laws of the state of North Dakota relating to motor vehicles, designed primarily for operation upon the public streets, roads, and highways, and driven by power other than muscular power, and includes a trailer drawn by or attached to such a vehicle.

"Uninsured Motor Vehicle" means a "motor vehicle" for which:

- a. there is no bodily injury liability insurance policy, or bond providing equivalent liability protection, in effect at the time of the accident.
- b. there is an applicable policy or bond, but the insurer or issuer thereof refuses to provide coverage, denies coverage, or is or becomes insolvent.
- c. the identity of the owner or operator cannot be ascertained and the "bodily injury" of the "insured" is either caused by actual physical contact of such "motor vehicle" with the "insured", or with a "motor vehicle" occupied by the "insured", or is independently verified by a disinterested witness.

The term "uninsured motor vehicle" does not mean a "motor vehicle":

- a. insured under the liability coverage of this policy.
- b. owned by any governmental unit, political subdivision, or agency thereof.
- c. located for use as a residence or premises.
- d. with respect to uninsured motorists coverage, a self-insured motor vehicle within the meaning of the financial or safety responsibility law of the state in which the motor vehicle is registered, or any similar state or federal law.
- e. operated by any person who is specifically excluded from coverage in the policy.

The term under-insured motor vehicle may not be construed to include an uninsured motor vehicle.

#### **When Uninsured Motorists Coverage Does Not Apply**

THERE IS NO COVERAGE UNDER UNINSURED MOTORISTS COVERAGE:

1. For the recovery of punitive, exemplary or other noncompensatory damages.
2. FOR ANY "INSURED" WHO, WITHOUT OUR WRITTEN CONSENT, SETTLES WITH ANY PERSON OR ORGANIZATION WHO MAY BE LIABLE FOR THE "BODILY INJURY".
3. TO THE EXTENT IT BENEFITS:
  - a. ANY WORKERS' COMPENSATION OR DISABILITY BENEFITS INSURANCE COMPANY.
  - b. A SELF-INSURER UNDER ANY WORKERS' COMPENSATION, OR DISABILITY BENEFITS OR SIMILAR LAW.
  - c. ANY GOVERNMENTAL BODY OR AGENCY.
4. If the "insured" has failed to report the accident to the proper law enforcement authorities as soon as practicable.

5. For any "insured" who is injured while operating or "occupying" a "motor vehicle" without the specific permission of the owner of the vehicle or without reasonable belief that they are entitled to do so.
6. For damages for pain, suffering, mental anguish, inconvenience, or other noneconomic loss which could not have been recovered had the owner or operator of the "motor vehicle" responsible for such loss maintained the security required under any applicable state no-fault law.
7. With respect to which the applicable statute of limitations has expired on the "insured's" claim against the uninsured or under-insured motorist.
8. There is no coverage until the limits of liability of all bodily injury liability bonds and policies that apply have been used up by payments of judgments or settlements or such limits or the remaining part of them have been offered to the "insured" in writing.

THERE IS NO UNINSURED MOTORISTS COVERAGE:

FOR "BODILY INJURY" TO AN "INSURED" WHILE "OCCUPYING" A "MOTOR VEHICLE" OWNED BY YOU OR ANY PERSON LIVING IN YOUR HOUSEHOLD IF IT IS NOT INSURED FOR THIS COVERAGE UNDER THIS POLICY.

#### **Limits of Liability**

1. The amount of coverage is shown on the front of the Declarations under Each Person-Each Occurrence.

Under Each Person is the amount of coverage for all damages due to "bodily injury" to one person.

Under Each Occurrence is the total amount of coverage for all damages due to "bodily injury" to two or more persons in the same accident.
2. The maximum liability of the uninsured motorists coverage is the lower of:
  - a. The amount of compensatory damages, established but not recovered by any agreement, settlement, or judgment with or for the person or organization legally liable for the "bodily injury" resulting therefrom; or
  - b. The limits of liability of the uninsured motorists coverage.
3. Any amount payable under this coverage shall be reduced by any amount paid or payable to or for the "insured":
  - a. under any workers' compensation, disability benefits or similar law; or
  - b. by or for any person or organization who is or who may be held legally liable for the "bodily injury" to the "insured"; or

- c. for "bodily injury" under the liability coverage; or
  - d. amounts paid or payable under any valid and collectible motor vehicle medical payments, personal injury protection insurance, or similar motor vehicle coverages.
4. Any benefits paid or payable under the no-fault coverages, or which would be payable except for a deductible, will not be paid again as damages under this coverage.
  5. Regardless of the number of "motor vehicles" involved, the number of persons covered or claims made, vehicles or premiums shown in the policy or premiums paid, the limit of liability for uninsured motorists or under-insured motorists coverage may not be added to or stacked upon limits for such coverage applying to other "motor vehicles" to determine the amount of coverage available to an "insured" in any one accident.
  6. Any payment made to a person under this coverage shall reduce any amount payable to that person under the bodily injury liability coverage of this policy.
  7. Any payment made to a person under this coverage shall reduce any amount payable to that person under the Underinsured Motorist Coverage of this policy.

**North Dakota Law Governs**

The rights and obligations of the Company with respect to Uninsured Motorist Coverage shall be governed by the laws of the State of North Dakota without regard to its principles of conflict of laws.

**Deciding Fault and Amount**

Two questions must be decided by agreement between the "insured" and us:

1. Does the owner or driver of the "uninsured motor vehicle" legally owe the "insured" damages; and
2. If so, in what amount?

If there is no agreement, the "insured" and we may agree that issues of liability and damages be determined by binding arbitration. Each party shall select a competent and impartial arbitrator. These two shall select a third one. If unable to agree on the third one within 30 days either party may request a judge of a court of record in the county in which the arbitration is pending to select a third one. The written decision of any two arbitrators shall be binding on each party.

The cost of the arbitrator and any expert witness shall be paid by the party who hired them. The cost of the third arbitrator and other expenses of arbitration shall be shared equally by both parties. The arbitration shall take place in the county in which the "named insured" resides unless the parties agree to another place. State court rules governing procedure and admission of evidence shall be used.

We are not bound by any judgment against any person or organization obtained without our WRITTEN CONSENT.

**Payment of Any Amount Due**

We will pay any amount due under this part:

1. to the "insured";
2. to a parent or guardian if the "insured" is a minor or an incompetent person;
3. to the surviving spouse; or
4. at our option, to a person authorized by law to receive such payment.

**If There Is Other Coverage**

1. If the "insured" is injured as a pedestrian or while "occupying" "your covered auto" and "your covered auto" is described on the Declarations page of another policy providing uninsured motorists coverage, we are liable only for our share. Our share is that percent of the damages that the limit of liability of this policy bears to the total of all uninsured motorists coverage that applies to the accident.
2. If the "insured" is injured while "occupying" a vehicle which is not "your covered auto" or a "newly acquired auto", this coverage applies as excess to any other uninsured motorists coverage.
3. If the "insured" is injured as a pedestrian or while "occupying" "your covered auto" and other under-insured motorists coverage applies:
  - a. the total limit of liability shall not exceed the highest limit of liability of any one policy; and
  - b. we are liable only for our share. Our share is that percent of the damages that the limit of liability of this policy bears to the total of all under-insured motorists coverage that applies to the accident.
4. If more than one policy applies, the following order of priority applies:
  - FIRST a policy covering a "motor vehicle" occupied by the injured person at the time of the accident.
  - SECOND a policy covering a "motor vehicle" not involved in the accident under which the injured person is a "named insured".

THIRD a policy covering a "motor vehicle" not involved in the accident under which the injured person is an "insured" other than a "named insured".

However, if the vehicle the "insured" is operating at the time of the accident is not owned by the "insured" and has been borrowed, rented or leased from anyone who is engaged in the "business" of selling, repairing, servicing, storing, leasing, renting or parking "motor vehicles" and that vehicle is insured under a policy affording Uninsured or Under-insured Motorists coverage to that owner the following order of priority shall apply:

FIRST a policy covering a "motor vehicle" not involved in the accident under which the injured person is a "named insured".

SECOND a policy covering a motor vehicle not involved in the accident under which the injured person is an "insured" other than a "named insured".

THIRD a policy covering a motor vehicle occupied by the injured person at the time of the accident.

Coverage available under a lower priority policy applies only to the extent it exceeds the coverage of a higher priority policy.

THESE COVERAGES DO NOT APPLY IF THERE IS OTHER UNINSURED MOTORISTS COVERAGE ON A "NEWLY ACQUIRED AUTO".

#### V. Part D – Coverage For Damage To Your Auto

The following is added to the **Limit of Liability**: However, for any vehicle listed on the Declarations page and meeting the following criteria:

1. Vehicle is of the private passenger type or a pickup truck one ton or less;
2. Vehicle is not a recreational vehicle, all-terrain vehicle, snowmobile, golf cart, or motorcycle, and is not leased, custom built, modified or reproduction vehicle and;
3. Vehicle is two years old or less, (meaning the current model year and one preceding model year), and;
4. The odometer mileage reading is less than 24,001 miles at the time of the loss, and;
5. The Named Insured is the original owner, then

#### With respect to loss caused by other than fire, theft or larceny:

Our limit of liability for a loss will be the lesser of a. or b.

a. The reasonable cost to repair the vehicle.

(1) The cost of a new part; or

(2) The cost of a rebuilt part, if one is available; or

(3) The cost of a used part of like kind and quality, if one is available.

We may at our option, use parts from the vehicle's manufacturer, as well as those from other sources including non-original equipment manufactures.

b. The cost of a new vehicle of:

(1) The same make, if possible;

(2) similar vehicle size and class; and

(3) similar body type and equipment; as your damaged vehicle

#### Additional Exclusion

This coverage does not automatically apply to any replacement vehicle nor apply to any additional vehicle acquired during the policy period, unless

1. The additional or replacement vehicle is of the private passenger type or a pickup truck one ton or less;
2. Vehicle is not a recreational vehicle, all-terrain vehicle, snowmobile, golf cart, or motorcycle, and is not leased, custom built, modified or reproduction vehicle and;
3. Vehicle is not a recreational vehicle, all-terrain vehicle, snowmobile, golf cart, or motorcycle, and is not leased, custom built, modified or reproduction vehicle and;
4. The odometer mileage reading is less than 24,001 miles at the time of the loss, and;
5. The Named Insured is the original owner.

Under **Limit of Liability, A.2.:** "of like kind and quality" is defined as "repairs or replacements using original equipment manufacturer's parts, generic parts (after market parts), used parts, or other comparable parts."

A guarantee that only original equipment manufacturer's parts will be used in the repair of an insured auto body (except glass) may be purchased through an endorsement for any vehicle less than 5 model years old.

## Custom Furnishings or Equipment

### Exclusion 11. of Part D is replaced by the following:

Loss in excess of \$500 to any custom furnishings or equipment in or upon any pickup or van. Custom furnishings or equipment include but are not limited to:

- a. Special carpeting or insulation;
- b. Furniture or bars;
- c. Height-extending roofs; or
- d. Custom murals, paintings or other decals or graphics.

This Exclusion (11.) does not apply to a cap, cover or bedliner in or upon any "your covered auto" which is a pickup.

Any coverage for losses that are \$500 or less does not apply to furnishings or equipment that are excluded from coverage under Exclusions 4., 5., 6., 8., or 10. of Part D.

The **Other Sources Of Recovery** Provision of Part D is replaced by the following:

### 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 "non-owned auto" shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the "non-owned auto";
2. Any other applicable physical damage insurance;
3. Any contractual liability coverage provided for rented vehicles under Part A of the policy;
4. Any other source of recovery applicable to the loss.

### VI. The following provision is added:

#### Loss Payable Clause

Loss or damage under this policy shall be paid, as interest may appear, to you and the loss payee shown in the Declarations. This insurance with respect to the interest of the loss payee, shall not become invalid because of your fraudulent acts or omissions unless the loss results from your conversion, secretion or embezzlement of "your covered auto." However, we reserve the right to cancel the policy as permitted by policy terms and the cancellation shall 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 in the Declarations.

When we pay the loss payee we shall, to the extent of payment, be subrogated to the loss payee's rights of recovery

### VII. Part E – Duties After An Accident Or Loss

Paragraph C. of Part E is replaced by the following:

- C. A person seeking Uninsured Motorists Coverage or Underinsured Motorists Coverage must also:
  1. Notify the proper law enforcement authorities as soon as practicable.
  2. Promptly send us copies of the legal papers if a suit is brought.

### VIII. Part F – General Provisions

Part F is amended as follows:

- A. The **Our Right To Recover Payment** Provision is replaced by the following:

#### OUR RIGHT TO RECOVER PAYMENT

1. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another we shall be subrogated to that right. The person shall do:

- a. Whatever is necessary to enable us to exercise our rights; and
- b. Nothing after loss to prejudice them.

2. However, our rights under Paragraph 1. do not apply:

- a. Under Part D, against any person using "your covered auto" with a reasonable belief that that person is entitled to do so; and
- b. Under Underinsured Motorists Coverage if we:

- (1) Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and
- (2) Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of written 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.
- (2) We also have a right to recover the advanced payment from the insurer, or the owner or operator, of the "underinsured motor vehicle".

3. If we make a payment because the insurer of the "uninsured motor vehicle" is or becomes insolvent, our rights under Paragraph 1. apply under Uninsured Motorists Coverage against:
  - a. The owner or operator of an "uninsured vehicle"; or
  - b. The North Dakota Guaranty Fund; only for amounts paid by us in excess of the limits of liability of the insolvent insurer's policy.
4. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
  - a. Hold in trust for us the proceeds of the recovery; and
  - b. Reimburse us to the extent of our payment.

B. The **Termination** Provision is replaced by the following:

#### **TERMINATION**

##### **Cancellation**

This policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:
  - a. Returning this policy to us; or
  - b. Giving us advance written notice of the date cancellation is to take effect.
2. We may cancel by mailing to the named insured shown in the Declarations at the address shown in this policy:
  - a. At least 10 days' notice:
    - (1) If cancellation is for nonpayment of premium; or
    - (2) If this policy has been in effect less than 60 days at the time notice of cancellation is mailed and this is not a renewal or continuation policy; or
  - b. At least 20 days notice in all other cases.
3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, we will cancel only:
  - a. For nonpayment of any premium due; or
  - b. If your driver's license or that of:
    - (1) Any driver who lives with you; or
    - (2) Any driver who customarily uses "your covered auto";

has been suspended or revoked. This must have occurred:

- (1) During the policy period if this is not a renewal or continuation policy; or
- (2) If this is a renewal or continuation policy, during the policy period or the 180 days immediately preceding this policy's effective date.

However, in the event an operator has had his driver's license suspended or revoked, before cancelling this policy we will offer to continue the policy with a provision excluding coverage when that person who has had his driver's license suspended or revoked is operating a motor vehicle. If such offer is accepted, we will issue an endorsement to that effect.

- c. If the policy was obtained through material misrepresentation.
- d. If you move out of the state of North Dakota.
- e. If you fail to maintain membership in the North Dakota Farm Bureau.

##### **Nonrenewal**

If we decide not to renew or continue this policy, we will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Less than six months, we will have the right not to renew or continue this policy every six months, beginning six months after its original effective date.
2. Six months or longer, but less than one year, we will have the right not to renew or continue this policy at the end of the policy period.
3. One year or longer, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

##### **Automatic Termination**

If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If you obtain other insurance on "your covered auto", any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance.

**Other Termination Provisions**

1. We may deliver any notice instead of mailing it. Conclusive proof of mailing and of your receipt on the third calendar day after the mailing of the notice is established if we provide:
  - a. A United States Postal Service certificate of mailing to your last known address; or
  - b. Proof or acknowledgement of United States Postal Service mailing to you at your last known address using:

- (1) IMb tracing; or
  - (2) A similar method or first-class mail tracking which identifies you, your last known address, and the date of mailing.
2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.
  3. The effective date of cancellation stated in the notice shall become the end of the policy period.



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## MEMBERSHIP

### 1. Membership

The first insured named in the Declarations, by accepting this policy, becomes a member of this Company with all the rights and privileges of a member as provided in the Articles of Incorporation and the Bylaws of the Company in force at the time this policy takes effect or that may become in force during the continuation of this policy, and is entitled to vote at all meetings of members. Upon cancellation or other termination of the policy, such insured shall cease to be a member of this Company and his or her rights and interests in the Company shall terminate. This policy is on the mutual or participating plan and such insured, during the continuation of the policy, shall be entitled to participate in such savings and earnings of the Company as the Board of Directors may determine to distribute to policyholders of his or her class or division.

### 2. Non-Assessable

The policy is non-assessable.

IN WITNESS WHEREOF, THE NODAK MUTUAL INSURANCE COMPANY has caused this policy to be signed by its President and its Secretary.



Eric Aasmundstad  
President



Brian Doom  
Secretary