Personal Auto Form Changes for Select Auto and Signature Auto

ISO has revised the Personal Auto Policy and has also made various editorial revisions which will have no impact on coverage.

The following pages provide a detailed description of each revision by topic, as explained in ISO Circular LI-PA-2017-160. Additional comments have been added to the summary to reflect Western National specific information. If there is any conflict between a form and any part of the attached material, the provisions of the form apply.

All revised forms language contains a standard format of ~~striking through~~ deletions and underlining new material.

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Section I - Personal Auto Policy (PAP) Change

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Change No. 1 - Newly Acquired Auto Provision

Explanation of Changes

The "newly acquired auto" provision is being revised to require an insured to notify their insurer of any vehicle they acquire, regardless of whether it is an addition or a replacement, in order for any coverage other than Coverage For Damage To Your Auto to apply. Notice to the insurer must be given within 14 days after the named insured becomes the owner.

When the applicable time period for notification of a newly acquired vehicle has elapsed for all coverages, coverage will begin on the day that the named insured first asks their insurer to insure such vehicle.

Impact

This revision will result in an additional notification requirement on the insured's part.

Revised Form

PP 00 01, Personal Auto Policy

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Change No. 2 - Supplementary Payments

Explanation of Changes

The current limit of $200 a day for loss of earnings under the Supplementary Payments provision of Part A - Liability Coverage is being increased to $250.

Impact

The increased limit is a broadening of coverage.

Revised Form

PP 00 01, Personal Auto Policy

Change No. 3 - Public Or Livery Conveyance Exclusion

Explanation of Changes

The public or livery conveyance exclusion is being revised to incorporate:

- An exception which provides that the exclusion does not apply to the ownership or operation of a vehicle or a "your covered auto" while it is being used for volunteer or charitable purposes;
- The provisions of PP 23 40 within the Exclusions section of the applicable coverage parts of the PAP; and
- A provision under Part C, similar to the provisions in PP 23 40 applicable to Parts A, B and D.

The definition of "transportation network platform" presently contained in PP 23 40 is being incorporated into the Definitions section of PP 00 01.

To correspond with the revisions being made to PP 00 01:

- The provisions of PP 23 41 and PP 23 45 are being revised to incorporate the "volunteer and charitable purposes exception".
- The definition of "transportation network platform" is being removed from PP 23 41 and PP 23 45 to avoid duplication with PP 00 01.

Impact

This revision is a broadening of coverage.

Revised Forms

PP 00 01, Personal Auto Policy

Newly Adopted Forms by WN

PP 23 41, Transportation Network Driver Coverage (No Passenger)
PP 23 45, Limited Transportation Network Driver Coverage (No Passenger)

As we add more states, we will have state-specific form numbers for some states. These are valid for Iowa.

Withdrawn Form

PP 23 40, Public Or Livery Conveyance Exclusion Endorsement

Change No. 4 - Personal Auto Policy (PAP) Exclusionary Endorsements

Explanation of Changes

ISO is taking this opportunity to incorporate the provisions of:

- PP 23 16 within the Exclusions sections of the PAP under Part A - Liability Coverage, Part B - Medical Payments Coverage, Part C - Uninsured Motorists Coverage, and Part D - Coverage For Damage To Your Auto.
- PP 13 06 within Part D - Coverage For Damage To Your Auto of the PAP.

Western National does not use PP 13 06 Custom Equipment Exclusion Endorsement. We use proprietary form PP CW 0016 Custom Equipment Coverage Endorsement for Signature Auto.

PP CW 0016 provides a limit of $10,000 for aftermarket custom equipment for Signature Auto program only. Additional limits may be purchased.

For Select Auto, the PAP $1,500 custom equipment limit will apply. Additional limits may be purchased via PP 03 18.

The Western National legacy auto product provides unlimited coverage for custom equipment.

Impact

There is no coverage impact for PP 23 16.

There is a reduction in coverage for custom equipment under both Signature Auto and Select Auto.

Withdrawn Forms

PP 23 16, Personal Vehicle Sharing Program Exclusion Endorsement

PP 13 06, Custom Equipment Exclusion Endorsement (For ISO only)

Change No. 5 - Racing Exclusion

Explanation of Changes

In order to address driver skill training or driving skill events conducted inside a facility designed for racing, ISO is revising the racing exclusions under Parts A, B and D of the PAP as follows:

Part A - Liability Coverage

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

4. Any vehicle, located inside a facility designed for racing, for the purpose of:

a. Participating or ~~C~~competing in; or

b. Practicing or preparing for;

any prearranged or organized:

(1) ~~r~~Racing or speed contest; or

(2) Driver skill training or driver skill event.

Part B - Medical Payments Coverage

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

11. Sustained while "occupying" any vehicle located inside a facility designed for racing, for the purpose of:

a. Participating or ~~C~~competing in; or

b. Practicing or preparing for;

any prearranged or organized:

(1) ~~r~~Racing or speed contest~~.~~; or

(2) Driver skill training or driver skill event.

Part D - Coverage For Damage To Your Auto

We will not pay for:

12. Loss to "your covered auto" or any "non-owned auto", located inside a facility designed for racing, for the purpose of:

a. Participating or ~~C~~competing in; or

b. Practicing or preparing for;

any prearranged or organized:

(1) ~~r~~Racing or speed contest~~.~~; or

(2) Driver skill training or driver skill event.

Impact

This revision is a reduction of coverage.

Revised Form

PP 00 01, Personal Auto Policy

Change No. 6 - Flying Car Exclusion

Explanation of Changes

ISO is introducing the following exclusion within the applicable coverage parts of the PAP.

Part A - Liability Coverage

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

5. Any vehicle which is designed or can be used for flight.

Part B - Medical Payments Coverage

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

13. Sustained while "occupying", or when struck by any vehicle which is designed or can be used for flight.

Part C - Uninsured Motorists Coverage

B. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":

5. While "occupying", or when struck by, any vehicle which is designed or can be used for flight.

Part D - Coverage For Damage To Your Auto

We will not pay for:

15. Loss to any vehicle which is designed or can be used for flight.

Impact

This exclusion addresses the potential exposures associated with the usage or operation of flying cars that are not contemplated under the current ISO Personal Auto program.

Revised Form

PP 00 01, Personal Auto Policy

Change No. 7 - Other Insurance Provision

Explanation of Changes

ISO added language to the Other Insurance provision of Part A - Liability Coverage of the PAP to reinforce that any insurance provided for a non-owned vehicle, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance, except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

The revision to the Other Insurance provision is as follows:

Part A - Liability Coverage

If there is other applicable liability insurance 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 for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

Impact

This revision to the Other Insurance provision of the PAP expressly identifies the existence of specific excess insurance as may be provided by a personal umbrella policy. There is no change in coverage.

Revised Form

PP 00 01, Personal Auto Policy

Change No. 8 - Transportation Expenses Coverage

Explanation of Changes

The basic limit for transportation expenses under Part D is being increased to $30 per day and a maximum limit of $900. This is a change for ISO only. Western National already includes a basic limit for transportation expenses up to $900.

Impact

This revision is a broadening of coverage for ISO only. This is not a change for Western National.

Revised Form

PP 00 01, Personal Auto Policy

Change No. 9 - Duties Provision

Explanation of Changes

A provision has been added under Part E - Duties After An Accident Or Loss of the PAP to require an insured to submit as often as reasonably required, to recorded statements.

Impact

The requirement for an insured to submit to recorded statements as often as reasonably required by an insurer will result in an additional duty on the insured's part.

Revised Form

PP 00 01, Personal Auto Policy

Section II - Multistate Endorsements

Change No. 10 - Trailer/Camper Body Coverage Endorsement (includes Mold Exclusion)

Explanation of Changes

ISO is revising PP 03 07 to incorporate a mold exclusion under Part D - Coverage For Damage To Your Auto which states as follows:

> We will not pay for:
>
> Loss due to "fungi", wet or dry rot, or bacteria meaning the presence, growth, proliferation, spread or any activity of "fungi" wet, or dry rot, or bacteria.

Furthermore, ISO is introducing a definition for the term "fungi" consistent with the definition provided in the other ISO lines of business.

> Fungi is defined as:
>
> "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents, or byproducts produced or released by fungi.

ISO is also taking this opportunity to revise PP 03 07, Trailer/Camper Body Coverage (Maximum Limit Of Liability) to incorporate a statement that "Coverage is not provided on an agreed value basis" as well as replace the word "lesser" with "least" under the Limit of Liability provision of Part D, similar to the changes reflected in PP 03 08, Coverage For Damage To Your Auto (Maximum Limit Of Liability).

Impact

This revision is a reduction of coverage.

Revised Form

PP 03 07, Trailer/Camper Body Coverage (Maximum Limit Of Liability)

Change No. 11 - Coverage For Damage To Your Auto (Maximum Limit of Liability) Endorsement

Explanation of Changes

- Reinforcing that the coverage being provided under PP 03 08 is not on an agreed value basis; and
- Taking this opportunity to replace the word "lesser" with "least" contained in Paragraph A. of the Limit of Liability provision of PP 03 08.

Impact

There is no coverage impact.

Revised Form

PP 03 08, Coverage For Damage To Your Auto (Maximum Limit Of Liability)

Change No. 12 - Underinsured Motorists Coverage Endorsement

Explanation of Changes

ISO is revising Underinsured Motorists Coverage to incorporate:

- A volunteer or charitable purposes exception under Exclusion **B.1.** (public or livery conveyance exclusion) as well as a provision, similar to the provisions reflected in PP 23 40, Public Or Livery Conveyance Exclusion Endorsement which reinforce the "public or livery conveyance" exclusions under the Personal Auto Program to explicitly address transportation network services.
- The provisions of PP 23 16, Personal Vehicle Sharing Program Exclusion Endorsement within the Exclusions section.
- The following exclusion:

> **B.** We do not provide Underinsured Motorists Coverage for "bodily injury" sustained by any "insured":
>
> **4.** While "occupying" or when struck by, any vehicle which is designed or can be used for flight.

The changes described above are contained in the Personal Auto Policy (PAP).

Impact

These revisions are described in:

- Change No. 3 – Public Or Livery Conveyance Exclusion; and
- Change No. 6 – Flying Car Exclusion.

Western National Revised Form

PP 04 85, Underinsured Motorists Coverage (IA)
WN PP 57, Underinsured Motorists Coverage (SD)
WN PP 08, Underinsured Motorists Coverage (WI)
PP 04 93, Uninsured/Underinsured Motorists Coverage (AK)
WN PP 05, Uninsured/Underinsured Motorists Coverage (MN)

Change No. 13 - Limited Mexico Coverage Endorsement (New to WN)

Explanation of Changes

ISO is revising the warning statement of PP 03 21 in part, to replace the terms "are" and "does" found in the first two sentences to "may be" and "may" respectively.

ISO is also removing the last sentence "This endorsement must be attached to the Change Endorsement when issued after the policy is written" since policy changes are now generally reflected in the Declarations page.

Impact

There is no coverage impact.

Revised Form

PP 03 21, Limited Mexico Coverage

Change No. 14 - Miscellaneous Type Vehicle Endorsement (includes Mold Exclusion)

Explanation of Changes

ISO is revising PP 03 23, Miscellaneous Type Vehicle Endorsement to introduce a mold exclusion under Part D - Coverage For Damage To Your Auto and definition of "fungi" similar to the changes reflected in PP 03 07, Trailer/Camper Body Coverage (Maximum Limit Of Liability).

ISO is also taking this opportunity to revise the exception to Exclusion **7.** of Part D to include any motor home a named insured does not own while used as a temporary substitute for "your covered auto".

Impact

These revisions are:

- Reduction of coverage as a result of the introduction of a mold exclusion.
- Reinforcement of coverage that Exclusion 7. under Part D does not apply to a non- owned motor home used as a temporary substitute.

Revised Form

PP 03 23, Miscellaneous Type Vehicle Endorsement

Change No. 15 - Miscellaneous Type Vehicle Amendment (Motor Homes) Endorsement

Explanation of Changes

To correspond with the revisions being made to the rating procedure for motor homes rented to others, ISO is revising PP 03 28, Miscellaneous Type Vehicle Amendment (Motor Homes) to:

- Remove all references to premium since rather than charging an additional premium for motor homes rented to others, such motor homes will be rated as business use.
- Update the schedule to include checkboxes which may be used to indicate if coverage will be provided while a particular motor home is rented to others and the specific types of coverages that will be provided.

In addition, ISO has revised the structure of the endorsement for consistency with other coverage endorsements under the ISO Personal Auto Program.

ISO is also removing the last sentence "This endorsement must be attached to the Change Endorsement when issued after the policy is written" since policy changes are now generally reflected in the Declarations page.

Impact

There is no coverage impact.

Revised Form

PP 03 28, Miscellaneous Type Vehicle Amendment (Motor Homes)

Change No. 16 - Joint Ownership Coverage

Explanation of Changes

ISO is revising PP 03 34, Joint Ownership Coverage as follows:

Amend the Schedule of PP 03 34 to:

- Add an entry for name of joint owner(s).
- Add an entry for name and address of joint owner(s) if a non-resident relative.
- Remove the listing of coverages afforded under the policy as well as the premiums charged since this information may be shown in the Declarations.
- Amend the Definitions Section in part, to provide that "you" and "your" refer to two or more individuals other than spouses, residing in the same household who jointly own a private passenger auto or an eligible pickup or van.

ISO has revised the phrase "husband and wife" to spouses, a gender neutral term in response to case law from U.S. jurisdictions that generally addressed same sex marriage.

Impact

These revisions provide the flexibility for insurers to address the present trends of joint vehicle ownership.

Revised Form

PP 03 34, Joint Ownership Coverage

Change No. 17 - Auto Loan/Lease Coverage Endorsement

Explanation of Changes

ISO is revising PP 03 35 to:

- Expressly address deferred payments with respect to any unpaid amount due on the lease or loan for "your covered auto" at the time of a covered total loss; and
- Add a provision that generally addresses primacy of coverage when one or more applicable sources of recovery apply to a covered loss.
- Remove the last sentence "This endorsement must be attached to the Change Endorsement when issued after the policy is written" since policy changes are now generally reflected in the Declarations page.

Impact

This revision is a reduction of coverage.

Revised Form

PP 03 35, Auto Loan/Lease Coverage

Change No. 18 - Key Replacement And Related Services Coverage Endorsement (New to ISO and WN)

Explanation of Changes

PP 33 27, Key Replacement And Related Services Coverage, generally sets forth the following:

- Coverage is provided on a per vehicle basis, without application of a deductible, for reasonable expenses incurred by you or any "family member" for services to obtain access to a "your covered auto" if your key or key fob for such auto is lost or stolen.
- Cost to replace or program key(s) or key fob(s) for a "your covered auto" is also covered if such item is lost or stolen.
- The maximum limit for key replacement and related services coverage is the amount shown in the Schedule or in the Declarations for each "your covered auto" and is for all expenses or loss incurred during the policy period shown in the Declarations.

Impact

This is a new coverage option.

New Form

PP 33 27, Key Replacement And Related Services Coverage

Change No. 19 - Pet Injury Coverage Endorsement (New to ISO, adopted by WN)

Explanation of Changes

PP 33 31 generally sets forth the following:

- Coverage is provided without application of a deductible for veterinary expenses or services incurred as a result of "bodily injury" to "your pet" or expenses incurred as a result of death of "your pet".
- Coverage applies only if at least one auto shown in the Declarations is insured for Other Than Collision and Collision Coverages and your pet is inside a "your covered auto" or a "non-owned auto" at the time of loss to any such auto caused by other than "collision" or "collision".
- A definition of "your pet" is provided.
- Maximum limit of liability for all related expenses or services is on a per occurrence basis.

The ISO coverage adopted by Western National has some differences from the proprietary endorsement currently in use.

- The ISO endorsement includes ALL other-than-collision losses. The proprietary endorsement provides coverage only for losses caused by an animal/bird or a falling object.
- The proprietary endorsement limit was $500 per pet with a $1,500 maximum limit. The ISO endorsement is a $500 limit per occurrence regardless of the number of pets, but we now allow the purchase of increased limits up to $2,000.

Impact

This is a new coverage option for ISO. Western National has adopted the ISO form in lieu of a proprietary endorsement.

New Form

PP 33 31, Pet Injury Coverage

Change No. 20 - Additional Resident Of Your Household Endorsement (New to ISO and WN)

Explanation of Changes

PP 33 37 generally sets forth the following:

- The Schedule provides for the name of the Additional Resident.
- Section I. Definitions amends the definition of "family member" to include the Additional Resident described in the Schedule or Declarations. Therefore, any coverage being afforded to a "family member" throughout the policy also extends to the Additional Resident.
- Section II. Part F - General Provisions provides, in part, certain conditions that must be met by the named insured.

Impact

This is a new coverage option.

New Form

PP 33 37, Additional Resident Of Your Household

Change No. 21 - Personal Property Coverage (New to ISO and WN)

Explanation of Changes

ISO is introducing optional endorsement PP 33 42, Personal Property Coverage to the Personal Auto Policy Forms Program. The endorsement, in part, provides coverage, for a specified aggregate limit of liability, for personal property owned by an insured while it is anywhere in the world, minus any applicable Deductible shown in the Schedule or in the Declarations.

Coverage is provided for open perils subject to specified exclusions. Losses are settled at actual cash value but not more than the amount required to repair or replace the property, unless noted in the Schedule that losses are settled at replacement cost.

Impact

This is a new coverage option.

New Form

PP 33 42, Personal Property Coverage

Change No. 22 - Named Non-owner Coverage Endorsement (New to WN)

Explanation Of Changes

In response to survey results and feedback received from personal lines insurers about developing coverage options that may help insurers meet some of the needs of millennials and other generations, ISO is introducing Collision Coverage and Other Than Collision Coverage options under the Named Non-owner Coverage Endorsement.

Impact

This is a new coverage option.

Revised Form

PP 03 22, Named Non-Owner Coverage

Change No. 23 - Trust Endorsement

Explanation Of Changes

To correspond with revisions made to the Personal Umbrella Liability Trust Endorsement and to accommodate various situations involving vehicles held in trust, including situations in which the Trust is the only Named Insured listed on the Declarations page, PP 13 03, Trust Endorsement is being revised, in part, to:

- Update the Schedule to provide for entry of:
  - Trust Name (unless shown as a Named Insured in the Declarations) and Trust Address.
  - Named Insured Grantor (or settlor) (unless shown as a Named Insured in the Declarations) and Grantor (or settlor) Address.
  - Trustee Name(s) (If other than a Named Insured, including a Named Insured Grantor, shown in the Schedule or in the Declarations) andTrustee Address(es).
- Provide that:
  - If the only named insured shown in the Declarations is the name of a Trust, throughout the policy, "you" and "your" will refer to the named insured shown in the Declarations and the Named Insured Grantor (or settlor) shown in the Schedule.
  - With respect to the Trustee(s) shown in the Schedule or in the Declarations, "insured" under Part A will also mean: The Trustee(s) shown in the Schedule or in the Declarations for the maintenance or use of "your covered auto", but only with respect to his or her duties as a Trustee of the Trust shown in the Schedule or in the Declarations.
  - The insurer, as often as it reasonably requests, must be provided with copies of the trust documents for the Trust.
  - The insurer be promptly notified of any of the following changes related to the Trust named in the Schedule or in the Declarations that occur during the policy period:
    - changes in the name and address of the Trust, changes in the Trustee of the Trust, including the addition or removal of a trustee, changes in the mailing address of any trustee of the Trust.
    - termination of the Trust.
    - death or disability of a trustee.
    - death or disability of the Grantor (or settlor) of the Trust.

Impact

These revisions provide more flexibility under the Personal Auto program in order to accommodate additional situations involving vehicles held in trust.

Revised Form

PP 13 03, Trust Endorsement

Change No. 24 - Description Of Editorial Changes

Explanation of Changes

ISO has incorporated several editorial revisions within the various multistate endorsements as follows:

- Revised font size of the title of endorsements.
- The sentence found on top of the form which states, "THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY" is now in boldface.
- Updated applicable endorsement schedules, where appropriate, in accordance with ISO's uniformity standards.
- Added sentence within the schedule which states, "Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
- Removed lead-in sentence which states that a coverage part is amended (for example, Part A is amended as follows).
- Replaced the word "Section" with "Paragraph", where applicable.
- Replaced the term "disks" with "discs" where applicable.

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Change No. 25 – Non-ISO, Western National Specific Change

Explanation of Changes

Western National has removed WN PP 03, which removed ISO's exclusions from Part D for the following:

7. Loss to:
b. Facilities or equipment used with such "trailer", camper body or motor home. Facilities or equipment include but are not limited to:
(2) awnings or cabanas; or
(3) any other facilities or equipment used with a "trailer", camper body, or motor home.

10. Loss to any custom furnishings or equipment in or upon any pickup or van. Custom furnishings 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.

Impact

This is a reduction in coverage for Signature Auto and Select Auto products.