

## NOTICE OF REDUCTIONS IN COVERAGE / POLICY CHANGES DISCLOSURE

### PERSONAL AUTO POLICY WEST VIRGINIA

Newly revised **PERSONAL AUTO POLICY WEST VIRGINIA, Form CC-N00WV1 (02/26)** replaces:  
**Readable car policy, Form CC-N00006, CC-N00007 or CC-N00011 (Apr. 01),**  
**Readable car policy amendatory endorsement – West Virginia, Form CC-N01WV1 (07-19),**  
**Personal Vehicle Sharing Program and Ride Sharing Exclusion, Form CC-N13003 (07-16)**

Dear Valued Customer:

Thank you for choosing us as your auto insurance company! We, at the Horace Mann insurance companies, are introducing a revised auto policy that is customized to comply with your state's laws and replaces the prior policy forms.

In this notice, we outline the key changes that will apply when you renew your coverage and get the new **PERSONAL AUTO POLICY WEST VIRGINIA, Form CC-N00WV1 (02/26)**. We made other changes to the policy, though not listed below. Many changes are made to improve readability and policy organization. We hope that you find this policy easier to navigate and read in order to understand policy terms, and your rights and obligations. All changes in the policy will be effective upon your policy renewal.

**PLEASE READ THE NEW POLICY and your Declarations. The Declarations tells you what coverages apply and the Policy explains your coverages. Together the Policy and the Declarations explain the limits of your coverage. The policy also includes definitions, conditions, exclusions, limitations, and duties for coverage to apply.** The terms of the new **PERSONAL AUTO POLICY WEST VIRGINIA** shall govern in the event there is any discrepancy between this notice and the Policy.

If you have questions, please call us at the phone numbers shown on your declarations.

**The significant changes in the new PERSONAL AUTO POLICY WEST VIRGINIA are as follows:**

#### DEFINED WORDS & PHRASES

We increase the number of general definitions to improve overall reading ease. To improve readability, we now include the following words and phrases used throughout the policy as general defined terms: "accident", "application", "auto", "crime", "declarations", "diminution of value", "fungus or mold", "hazardous materials", "minimum limits", "motor vehicle", "motor vehicle business", "named insured", "network dispatched delivery program", "nuclear event", "own", "owner", "pedestrian", "person", "property damage", "punitive or exemplary damages", "racing", "transportation network company", "uncollectible instrument", "war", and with respect to payments, the phrase "not honored upon presentment".

Regarding the definition of "you", the definition is broader to include a domestic partner or a civil union partner. Coverage for your resident spouse, domestic partner or civil union partner is expanded and will continue after that person no longer lives with the named insured until the earlier of: (1) the end of 30 days after that person's change of residency; (2) the effective date of another policy listing that person as a named insured; (3) the end of the Policy period; or (4) upon any other Policy Termination event.

The defined term "auto" replaces "car". The defined term "your insured auto" replaces "your car".

Several definition revisions illustrate by example what types of things do and do not fall within the scope of the definition. For example:

- "Business" now expressly refers to any profession, occupation, job, employment, trade, commercial or for-profit activity, whether or not it is full-time or part-time.
- "Newly acquired auto" more specifically addresses the different time frames to provide notice to us for coverage to apply to these vehicles (30 days in some cases and 5 days in other), and explains how coverage will be applied, depending on whether the auto is a new auto or replacement.

- We specify that “trailer” does not include a vehicle while being used as a residence or premises or to carry persons.

We no longer use or define the words: “pleasure”, “private passenger car”, “temporary substitute car” or “utility vehicle”.

A definition is added for “loaned temporary substitute vehicle” and used in the applicable parts of the policy (liability and physical damage coverage) where coverage (if purchased) is required on a primary basis by law.

### **INSURING AGREEMENT**

The Insuring Agreement section includes provisions as to:

- conditions of coverage, such as payment, and full, honest and accurate disclosure at the time of application; and
- the documents and forms that constitute the entire insurance contract.

### **GENERAL POLICY TERMS**

A General Policy Terms section is new.

As to “Policy Territory – Where Coverage Applies”, the Policy specifies that only physical damage coverage (if purchased) extends into Mexico, and then only for loss that occurs within 50 miles of the nearest border of the United States of America. Liability and Medical Payments coverage no longer apply anywhere in Mexico. As a US based insurer, we are unable to sell Mexico Liability Coverage.

The “Change of Policy Terms” clause provides more detail about what must be reported to us, and when, for coverage to apply.

Under the “Change of Policy Interests – Transfer or Assignment of Your Interest” clause, the rights and protections under the Policy are transferrable upon death to a surviving spouse, or a surviving resident domestic partner or resident civil union partner (as defined in the policy).

A “Non-Renewal” clause replaces the “Renewal” clause to simplify the policy terms and remove the lengthy lists of statutory grounds for nonrenewal as well as impermissible reasons to non-renew. We will still only non-renew a policy for a reason allowed by law, and will still provide 45 days prior notice.

Under the “Cancellation” clause, we provide more options as to how the insured may cancel the policy, and the list of authorized reasons for midterm cancellation by us includes the reasons permitted by state law. To simplify, we remove the listing in the policy for impermissible reasons to cancel, though we will still only cancel a policy for a reason allowed by law.

The “Compliance with State Law” clause addresses how and when minimum limit or minimum required coverage applies as required by law, if not already provided.

The following additional general policy terms are new:

- A “Premium Payment” clause setting forth and addressing our right to retrospectively terminate the policy due to the refusal of your bank or financial institution to honor the payment you made for the initial premium.
- An “Automatic Termination” clause addresses when the policy automatically ends, or automatically ends coverage for a covered auto.
- An “Other Policy Termination Terms” clause states that the policy is neither severable nor divisible, and any cancellation or nonrenewal, whatever the reason, is effective for the entire policy and all items and interests under it.
- A “Proof of Notice” clause informs you that any proof of mailing, whether by post or electronically, of any notice is sufficient proof of notice (unless state law requires otherwise). If and when allowed by law (and agreed to by you), we may deliver, by way of electronic devices or other methods, any notice instead of mailing it.

An “Electronic Signatures” clause authorizes the use of electronic signatures, electronic notices and forms, and any electronic method in transacting insurance.

### **EXCLUSIONS**

Throughout the policy we add and modify exclusions affecting most coverages. Some of the changes are:

- The “rented to others” exclusion excludes coverage when the insured auto is leased or subleased to others.
- The racing exclusion precludes coverage when using a vehicle on an indoor or outdoor track, on a course or trail designed or used for speed contests, during demonstration driving, driver training, high performance driving, driving competition, or racing.
- We now exclude coverage while an insured is participating in activities of a network dispatched delivery program.
- We expand the exclusion of coverage for any bodily injury, property damage, loss or other damage that result from hazardous materials, nuclear events and radiation.
- We state that coverage does not apply to a communicable disease, sexually transmitted disease, or becoming pregnant.

**SECTION I - LIABILITY COVERAGES**  
**(Bodily Injury and Property Damage Liability Coverage)**

Under the “Additional Payments” clause:

- We will pay to or on behalf of an insured post-judgment interest on covered compensatory damages, within our limit of liability, owed by an insured as the result of a judgment until we pay, offer or deposit in court the amount due under this coverage.
- We state that we do not cover punitive damages, and we have no duty to make any interest payment if we do not receive notice of suit and the opportunity to defend an insured.
- We increased the loss of wages/salary coverage due to an insured’s attendance at trials, hearings or other legal matters from a limit of \$35 per day to \$200 per day.

Minimum limit protection is added to the exclusion for bodily injury to you or a relative.

Under the Limits of Liability clause, we reduce any payment to a person under the Liability Coverage by any payments to that person under medical payments coverage and uninsured/underinsured motorist coverage of this same policy (though we do not reduce the liability coverage to an amount less than the required minimum limits by law).

**SECTION II - MEDICAL PAYMENTS COVERAGE**

We no longer offer or provide coverage for, any “Loss of Income or Services”.

The definitions for Medical Payments Coverage reflect key changes:

- The “medical expenses” definition states what is and is not a covered medical expense.
- The definition of “insured” expressly refers to permissive use of the auto as a condition of coverage for a guest occupant.
- The following definitions are new: “funeral expenses”, “reasonable” and “usual and customary charge”.

A clause titled “Our Right to Review Medical Expenses” is added regarding the review of medical expenses, in particular our right to review services; the types of independent sources (databases, reference material, experts, etc.) that may use to aid in our payment decisions; and to provide illustration as to what we consider reasonable, necessary, and/or related to the accident.

We changed the exclusions section by revising, deleting, or adding certain exclusions. Please read the policy carefully. Many of the changes to the exclusions are mentioned above. Other key additions and changes for this coverage include:

- The “other owned” vehicle exclusion (exclusion #1) is revised to also exclude coverage for any insured occupying or struck by a motor vehicle that is furnished or available for the regular use of you or a relative (and is not your insured auto or a newly acquired auto).
- No coverage applies to an insured person who is occupying or using a vehicle without permission from the owner of the vehicle. This Medical Payments Coverage exclusion does not apply to you or “relatives” when occupying your insured auto or a newly acquired auto.
- We now exclude coverage for any Bodily Injury caused by fungus or mold.
- We now exclude coverage for any expense that is paid or payable under TRICARE, CHAMPUS, or any similar health care program of the United States Department of Defense Military Health System.

A clause is added regarding the restrictions and rights associated with the “Assignments of Benefits”.

The Other Insurance clause addresses:

- anti-stacking provisions; and
- that for insureds (other than you or relatives) injured while occupying your insured auto or a newly acquired auto, coverage will be excess over any other valid collectible benefits or sources of recovery for the same medical expenses, costs or damages for those persons.

**SECTION III – ACCIDENTAL DEATH, DISMEMBERMENT & LOSS OF SIGHT COVERAGE**

The definition of “insured” now always covers you and “relatives” when this coverage is purchased, rather than limiting it by option to sometimes covering only the first named insured or only you.

Under the “Payment of Claim” clause, we may pay the surviving spouse or a surviving domestic partner or civil union partner (both as applicable and as defined in the policy).

## **SECTION IV – UNINSURED MOTOR VEHICLE COVERAGE and UNDERINSURED MOTOR VEHICLE COVERAGE (“UM/UIM”)**

We revised the definition of “insured” so that we no longer provide coverage for other persons, as related to those persons when occupying an auto not owned by, but operated, by you.

The definition of “uninsured motor vehicle” refers to an “unidentified motor vehicle” (and for which a definition is added under UM/UIM) instead of the prior “hit-and-run motor vehicle” to remove the requirement of physical contact. Though, if there is no physical contact with the unidentified vehicle causing the accident, then there must be reporting to law enforcement and the facts of the accident must be corroborated by competent evidence of an independent and disinterested person (other than an insured making a claim or any person occupying the motor vehicle used by the insured).

The “other owned” vehicle exclusion (former exclusion #3) is revised to also exclude coverage for any insured using or occupying a motorized vehicle or device that is furnished or available for the regular use of you or a relative (and is not your insured auto or a newly acquired auto). However, for UM coverage only, the exclusion will not apply to the portion of the damages for bodily injury or property damage that is less than or equal to the minimum limits.

The limit of liability section addresses reductions and offsets and also includes property damage claims handling clauses similar to those found under the physical damage coverage section.

**Importantly, if multiple policies were issued to you in the past for coverage of multiple vehicles, the limits for Uninsured Motor Vehicle Coverage or Underinsured Motor Vehicle Coverage could be stacked to provide an aggregate limit that was higher than the limit on any single policy.**

**Under the new PERSONAL AUTO POLICY WEST VIRGINIA that can cover multiple vehicles, THERE IS NO STACKING of Uninsured Motor Vehicle Coverage or Underinsured Motor Vehicle Coverage limits because there is only a single policy providing limits for those coverages, regardless of the number of vehicles on the policy.**

The “Arbitration” clauses are deleted.

## **SECTION V - PHYSICAL DAMAGE COVERAGES**

We now refer to Comprehensive Coverage as “Other Than Collision Coverage” under the new policy. We improved the supplemental coverage under it in that:

- We changed the amount we will repay to you for transportation costs incurred if your insured auto is stolen. We will pay up to \$30 per day, for up to thirty (30) days. This previously had a maximum limit of \$600.
- There is coverage for reasonable charges for necessary towing for which you become legally liable due to transportation of your insured auto after a loss.

We state that there is no coverage for a trailer unless you purchase such coverage.

Under this section, three new coverages are available:

- Child Safety Seat Coverage.
- Additional or Custom Equipment Coverage. We will pay up to \$1,500 for “additional or custom equipment” (as defined in the policy) in or on your insured auto when Other Than Collision Coverage or Collision Coverage applies to a loss, plus any related labor and installation costs. Additionally, you may purchase a higher limit selected by you to cover the “additional or custom equipment”. This does not cover loss or damage to any parts used for racing.
- Better Car Replacement Coverage. If you purchase this coverage and your covered auto is declared a total loss, we will pay an additional 20% of the actual cash value as of the date of the loss.

Under Physical Damage Coverage, we no longer cover, “Clothes and Luggage”, “Sound System Coverage”, or repayment of a rental car deductible. However, we may cover your sound system under the Additional or Custom Equipment Coverage referenced above and described in your policy, if permanently installed in the insured auto.

The following definitions are new and used throughout this section: “additional or custom equipment”, “cost of repair or replacement”, “depreciation”, “original equipment manufactured”, “OEM”, “original equipment”, “other than collision”, “permanently installed”, “windshield”. More detail is added to the definition of “actual cash value”. We no longer define or address “Stated Amount” under this section in the policy.

Emergency Road Service coverage is limited to no more than three (3) occurrences per insured auto in any six (6) month period and will not apply when your insured auto is disabled more than 100 feet from a driveway or public road.

In addition to the other exclusions discussed above in this notice, we revised, deleted and added other Exclusions to Physical Damage Coverage only, with the key changes described here:

- We exclude coverage for loss or damage that is prior loss or damage, and loss or damage related to the lack of routine and/or proper maintenance, and loss or damage related to any manufacturer's defects or faulty materials or parts.
- We now exclude coverage for any loss caused by or related to fungus or mold (unless a result of an otherwise covered loss).
- We exclude coverage for loss or damage to your insured auto while it is no longer in your possession because it is entrusted to another person or party to be leased, subleased or sold.
- We now exclude coverage for any loss while any vehicle is repaired, serviced or used by any person while that person is working in any motor vehicle business.
- We exclude coverage for any loss while any vehicle is used in any other business (except as to an auto driven or occupied by you or a "relative").
- We now exclude coverage for all items of "personal property" (replacing the prior exclusions that had itemized lists).
- We exclude coverage when your auto is repossessed.

Under the "Limits of Liability" and "Settlement of Loss" clauses, provisions are included related to: adjusting loss, determining actual cash value, application of the deductible, salvage, betterment, depreciation, parts that may be used by us to determine the amounts we will pay (original and non-original manufacturer parts and new or used parts), payment (and to who it may be made, including a repair shop with your consent) and storage costs.

Provisions are added to the Exclusion for diminution of value when an insured auto is repaired.

The "Appraisal" clause is revised to reflect time frames for selecting appraisers/umpire, and in accord with West Virginia law.

A "Loss Payee" (lienholder) clause eliminates our use of an endorsement when this applies. That loss payee or lienholder must abide by all terms and conditions of the policy and has no greater rights than you to receive any payment.

#### **DISCONTINUED OPTIONAL ENDORSEMENTS**

If any of the following optional endorsements were attached to your expiring policy, they are discontinued and are no longer available:

- Additional coverage endorsement that provided the following coverages:
  - Death, but only if Medical Payments coverage was purchased.
  - Travel Emergency coverage.
  - Additional Rental Car Coverage which eliminated the Collision deductible in certain circumstances when renting a car.
  - Sound System Coverage. Please contact your Horace Mann representative if you have interest in learning about coverage available via Additional Custom Equipment coverage.
- Communications equipment coverage
- Non-owner coverage
- Personal effects of motorhomes and vans

#### **GENERAL POLICY DUTIES - INSURED'S DUTIES AFTER ANY ACCIDENT OR LOSS**

The Duties section specifies the notice and reporting requirements imposed upon any person claiming coverage under the policy, as well as other duties and cooperation required as conditions of coverage.

#### **CLAIMS SETTLEMENT**

A "Claims Settlement" clause helps you understand the estimating, appraisal, or injury evaluation systems we may use to adjust claims and to determine the amount of damages, expenses, or loss payable.

#### **GENERAL POLICY LIMITATIONS**

We grouped some limitations that apply to all the coverages into one area and addressed here:

- Non-duplication of benefits and anti-stacking.
- We do not pay for emergency response service charges, fees or assessments from fire department, emergency services or law enforcement agency responding to an accident (this does not apply to emergency ambulance services).
- There is no coverage for use of an auto for personal vehicle sharing programs.

#### **MISREPRESENTATION, CONCEALMENT OR FRAUD**

This clause expressly sets forth our right to rescind the policy in the event of misrepresentation, concealment, omission or fraud described in this section. It also explains some of the key consequences and other action we may take (such as deny coverage and/or terminate policy) upon learning of fraud or misrepresentation.

### **OUR RIGHTS TO RECOVER OUR PAYMENTS (SUBROGATION & REIMBURSEMENT)**

Under a consolidated clause titled "Our Rights to Recover Our Payments", a provision explains if and how we will recover and/or be reimbursed, as well as how we may recover any deductible amounts incurred by you.

### **LEGAL ACTION AGAINST US**

Under the consolidated clause titled "Legal Action Against Us", we have no duty to:

- Retain or preserve salvage and/or property for any purpose.
- File any appeal (though, we reserve the right to file an appeal if any part of a judgment impacts our risk or the policy).

Also under the Legal Action Against Us clause, a clause is added to inform the insured when any legal action against us for coverage under any part of the Policy, or any legal action filed against us following an accident or loss, must be commenced.

This notice describing many of the policy changes and new provisions is not the actual policy contract. The terms of the new **PERSONAL AUTO POLICY WEST VIRGINIA, Form CC-N00WV1 (02/26)** shall govern in the event any discrepancy exists between this notice and the Policy.

**PLEASE READ THE NEW POLICY and your declarations. You are responsible to read the Policy and declarations to confirm it lists all of the coverage you have purchased and the limits and deductibles that apply. The policy also includes definitions, conditions, exclusions, limitations, and duties for coverage to apply.** If you have questions, please call us at the phone number shown on your declarations.