

MAXIMUM PHYSICAL DAMAGE COVERAGE AMOUNT

This endorsement is a part of your Personal Auto Policy and it changes your policy. Except for the changes it makes, all other terms of the policy remain the same. Please read it carefully. This endorsement applies only when the number for this endorsement is noted on the Declarations.

- A.** Wherever the term “actual cash value” appears in the policy and additional endorsements, the definition of “actual cash value” provided under **COMMON DEFINITIONS** applies.
- B.** The following definitions are added to the end of the **COMMON DEFINITIONS** section:
- R.** “Actual cash value” means the fair market value of the stolen or damaged property at the time of an accident or loss. Fair market value includes the following factors which may reduce value:
- i.** The property’s age, mileage, physical location, and physical condition; and
 - ii.** Depreciation and prior damage.

“Actual cash value” may include the amount of sales tax that would be applicable to the fair market value of the stolen or damaged property at the time of an accident or loss if such tax will necessarily be incurred upon replacement of a total loss. “We” are not obligated to pay such tax unless and until it is incurred.

- S.** “Maximum coverage amount” means the amount shown on the Declarations page for “collision” coverage or other than collision coverage, if the Declarations show that “we” provide “collision” coverage or other than collision coverage and there is a covered loss for “collision” or other than collision. The amount will be shown in the Declarations for “your covered auto”. If no amount is shown in the Declarations for “your covered auto”, the “maximum coverage amount” shall be \$25,000. If the value of “n/a” is shown in the Declarations for “your covered auto”, the “maximum coverage amount” shall not be applicable.

“You” agree that “we” may change the “maximum coverage amount” if and when the policy is modified or renewed, to reflect changes in market value and current costs. If “we” make a change, it will be reflected on the Declarations.

- C.** The following is added immediately after Paragraph 1. in Paragraph **A.** of the **LIMIT OF LIABILITY.** section in **PART IV: COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO”:**
- 2.** The “maximum coverage amount” as shown in the Declarations for that “your covered auto”, and if no value is shown in the Declarations, the “maximum coverage amount” shall be assumed to be \$25,000, and if the value of “n/a” is shown in the Declarations, the “maximum coverage amount” shall not be applicable; or
- D.** The current Paragraph 2. in Paragraph **A.** of the **LIMIT OF LIABILITY.** section in **PART IV: COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO”** is now numbered as Paragraph 3.

- E. The current Paragraph **B.** of the **LIMIT OF LIABILITY.** Section in **PART IV: COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO”** is deleted.

- F. The current Paragraph **C.** of the **LIMIT OF LIABILITY.** Section in **PART IV: COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO”** is relabeled as Paragraph **B.**