

THE RESPONSIVE AUTO INSURANCE COMPANY RAIFLF-APD-00 ENDORSEMENT

This Endorsement is a part of your Personal Auto Policy. Except for the changes it makes, all other terms of the “Policy” remain the same.

This Endorsement applies only when the number for this Endorsement is noted on the Declarations Page of the “Policy.”

The following definitions are added to the end of the **COMMON DEFINITIONS** section:

“Regular operator,” “regular operators,” “regular vehicle operator,” and “regular vehicle operators” mean an operator(s) of any of “your covered auto(s)” who has operated or driven “your covered auto(s)” either:

1. for at least seven (7) days in the last thirty (30) calendar days preceding the date of accident or loss;
2. for at least fourteen (14) days in the last ninety (90) calendar days preceding the date of accident or loss; or
3. for at least fifty-two (52) days in the last three-hundred sixty five (365) calendar days preceding the date of accident or loss.

Any place in the contract that uses the term “regular vehicle operators” shall use the definition of “regular vehicle operators” provided above.

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“Household resident” and “household residents” mean an individual or individuals who occupy a housing unit, such as, but not limited to a house, apartment, condominium, efficiency, duplex, townhouse, or mobile home, together with “you” as their usual place of residence, and who occupy said housing unit, either:

1. at least thirty-five (35) nights during the three hundred and sixty-five (365) calendar days preceding the date of accident or loss; or
2. more than fourteen (14) nights in the thirty (30) calendar days preceding the date of accident or loss.

Any place in the contract that uses the term “household residents” shall use the definition of “household residents” provided above.

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Paragraph B, of **CHANGES** of **PART VI: GENERAL PROVISIONS** is replaced by the following language:

B. “Regular operators” of “your covered auto”, including newly licensed “household residents” or additional “household residents.”

The following Paragraph F. is added to **CHANGES** of **PART VI: GENERAL PROVISIONS**:

F. Newly licensed “household residents” or additional “household residents.”

Paragraph A, of **INSURING AGREEMENT** of **PART IV: COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO”** is replaced by the following language:

- A. “We” will pay to repair or replace “your covered auto” with other of like kind and quality for direct and accidental loss to “your covered auto” including its equipment, minus any applicable deductible shown in the Declarations, or as shown in additional endorsements if applicable and attached to this “Policy, provided “you” request coverage for said “motor vehicle” in writing to “us” prior to any direct or accidental loss to said “motor vehicle,” and “you” have paid the premium for this coverage when due. “We” will pay for these losses to “your covered auto” caused by:
1. Other than “collision” only if the Declarations state that other than collision coverage is provided for that “motor vehicle,” and “you” have paid the premium for this coverage when due.
 2. “Collision” only if the Declarations state that Collision Coverage is provided for that “motor vehicle,” and “you” have paid the premium for this coverage when due.

Paragraphs B, C, H, V of **EXCLUSIONS** in **PART IV: COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO”** are replaced by the following language:

- B. Any loss or damage arising from a loss which occurs to “your covered auto” that is damaged, destroyed or confiscated by a government or civil authority.
- C. Damage due to:
1. Wear and tear;
 2. Freezing;
 3. Mechanical or electrical breakdown or failure of any part or system, including, but not limited to any batteries, electronic storage devices, electrical components, computers, features, safety features, cameras, light detection and ranging (“LiDAR”) systems, Radar systems, or Advanced Driver Assistance Systems (“ADAS”), whether or not any parts or systems are covered under any type of warranty or guarantee;
 4. Road damage to tires;
 5. Rust or corrosion;
 6. Inadequate or defective repairs;
 7. Lack of routine maintenance;
 8. Lack of proper maintenance; or
 9. Any prior damage.
- This exclusion does not apply if the damage results from the total loss by theft of “your covered auto.”
- H. Loss to any non-owned auto or any “motor vehicle” that is used as a “temporary substitute” for a “motor vehicle” of which “you” are the “owner,” used as a rental vehicle, or that is not specifically described within this “Policy” as “your covered auto.”
- V. Loss to “your covered auto” when:
1. Repairs are commenced to;
 2. Alterations are made to; or
 3. Evidence of physical damage is removed from:
- “Your covered auto” prior to “us” inspecting the damages.

In the event emergency repairs are necessary to minimize further damages and/or expenses, “we” require photographs of the damaged area(s) taken prior to when such emergency repairs are commenced and a complete itemized estimate of repair and payment receipts be submitted within thirty (30) calendar days of completion of such repair. The damaged parts that have been replaced must be retained for “our” inspection unless “we” waive in writing “our” right to inspect.

The following are added to **EXCLUSIONS** in **PART IV: COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO”**

- W. Any loss or damage arising from an accident which occurs while “your covered auto” is being driven, operated, or used in any manner by an “unlisted” “household resident,” or by an “unlisted” individual who is a “regular operator” of any auto insured under this policy.

For the purpose of this exclusion, “unlisted” means the person’s name:

1. Is not explicitly listed on the application as a driver;
2. Is explicitly listed on the application as an excluded person;
3. Is not explicitly listed on other “Policy” documents as a driver; or
4. Is explicitly listed on other “Policy” documents as an excluded person.

This exclusion shall apply whether or not the “named insured” is “occupying” “your covered auto” at the time that an “unlisted” “household resident” (or “unlisted” individual who is a “regular operator” of any “motor vehicle” insured under this policy) is using “your covered auto.”

- X. For any person using “your covered auto” without permission from "you," including if permission was at one point given by “you,” but later rescinded, or, if the use of “your covered auto” is outside the scope of permission given by “you.”
- Y. Any loss or damage due to poor workmanship of any repair facility that is chosen by “you.”
- Z. Loss for collision or comprehensive damage to “your covered auto” if a person who is listed as excluded in the Declarations, or a person who is listed as excluded in the application, or a person who is listed as excluded by “your “Policy” is operating “your covered auto” at the time of the loss.
- AA. Any loss or damage resulting from lack of lubricants, oil, transmission fluid, coolant, or any loss resulting from internal seepage of water. This includes, but is not limited to, loss or damage resulting from the engine overheating due to mechanical problems and loss or damage resulting from driving through a flooded area, leaving “your covered auto” in a flooded area or leaving “your covered auto” in an area susceptible to flooding.
- AB. Any loss or damage due to repossession of “your covered auto.”
- AC. Any loss or damage due to illegal sale of “your covered auto.”
- AD. Loss due to diminution of value.

APPRAISAL in **PART IV: COVERAGE FOR DAMAGE TO “YOUR COVERED AUTO”** is replaced by the following language:

- A. If “we” and “you” do not agree on the amount of the covered loss under **Part IV**, either may demand in writing an appraisal of the covered loss.
- B. The terms in this “Policy” govern the appraisal process, unless agreed otherwise in writing by both parties.
- C. “Neutral appraiser” means an appraiser, who has or had no interest, direct, or indirect, in the “motor vehicle” being appraised or in the proceeds of the appraisal, and whose compensation is not contingent upon the award or otherwise directly tied to the amount awarded by the appraiser.

- D. "Loss for appraisal" means:
1. Sudden, direct and accidental physical damage.
 2. Full or partial theft or larceny (as related to other than collision coverage), but only if:
 - a. "you" have provided us with prompt written proof of loss, including written proof of theft or larceny, and a copy of the related police report, no later than sixty (60) calendar days after "your covered auto" was stolen; and
 - b. "your covered auto" is not recovered within thirty calendar (30) days of notice to "us" that "your covered auto" was stolen.
- "Loss for appraisal" does not mean or include any kind or type of loss of use or diminution in value.
- E. "Loss for appraisal description" means a written description of each itemized part and item of damaged property in dispute as a result of a covered loss, along with a written and itemized list that accurately describes the condition of "your covered auto" and the extent of damage and the estimated amount to repair or replace each item. The written descriptions shall include an itemization of each cost, material, supply, labor hours and hourly rate. The written descriptions shall also include, at a minimum, and without limitation, the following:
1. The "actual cash value" of "your covered auto" as determined by a licensed and/or reputable third party valuation entity that is generally recognized and whose services are used in the personal auto insurance industry;
 2. Mileage report from a licensed and/or reputable third party entity that is generally recognized and whose services are used in the personal auto insurance industry;
 3. Factory window sticker less any applicable depreciation in the event of a total loss evaluation;
 4. Part supplier invoice and quote;
 5. Part types and a statement for each part type that identifies whether the parts are aftermarket, original equipment manufacturer, or recycled;
 6. Any and all factory-installed invoice of custom equipment;
 7. Towing invoices which include the breakdown of charges, including hookup, release, and cost per mile;
 8. Daily storage fee rate;
- F. Once an appraisal is requested in writing, each party shall select a competent and "neutral appraiser" within thirty (30) calendar days of that appraisal request, and notify the other party of that appraiser's identity and contact information, which shall include, at a minimum and without limitation, the appraiser name, their physical address, their email address, and their telephone number. If a party does not notify the other party of its selected appraiser within that thirty (30) calendar days, that party's appraiser shall be chosen by a judge in the state county or state circuit court of the county in which the policy was purchased. Each appraiser selected must have at least five (5) years of direct car appraisal experience.
- G. The appraisal shall be completed thirty (30) calendar days after disclosure of the appraisers. The appraisers will provide written detailed estimates that outline separately the "actual cash value" and the amount of "loss for appraisal" and shall include a "loss for appraisal description." In the event of a dispute over the use of parts, the appraiser sharing a more expensive part shall provide in the "loss of appraisal description" the historical part availability at the time of loss and time of repair.
- H. If the appraisers fail to agree, the two appraisers will select an umpire. If the appraisers cannot agree on an umpire within fifteen (15) calendar days after that disagreement, the umpire shall be chosen by a judge in the state county or state circuit court of the county in which the policy was purchased. In the event the parties are unable to select the umpire with a judge in the state county or state circuit court of the county in which the policy was purchased, the parties may submit the appraisal appointment decision to a single arbitrator selected randomly by the American Arbitration Association, the costs of which shall be shared equally between the parties.
- I. The appraisers will each provide separately a "loss for appraisal description" and state separately the "actual cash value" and the amount of "loss for appraisal", and will submit their differences to the umpire. A decision agreed upon by any two members of the appraisal panel will be binding.
- J. Each party will:
1. Pay its chosen appraiser;
 2. Pay its own attorney's fees and expert fees, including its own attorney's and experts costs; and
 3. Bear the other expenses of the appraisal and umpire equally.

- K. The appraisers and umpire have authority only to decide the amount of the loss. If there is an appraisal, “we” will still retain our right to deny the claim. The appraisal award cannot be used by either party in any proceedings concerning coverage, exclusions, conditions or any other contractual issues. Neither the appraisers nor the umpire are authorized to:
1. Decide any coverage or policy interpretation issues;
 2. Determine causation of the damages, if causation has been, or may be, presented as an issue for consideration to the appraisers; or
 3. Award any attorney’s fees, interest or taxable costs.
- L. No rights are waived if the parties agree to, or otherwise engage in, the appraisal process, EXCEPT for the following:

Waiver of Right to Litigate Under Part IV

If the appraisal clause is invoked by either “you” or “us”, “you” waive the right to file a lawsuit against “us” concerning a dispute over the amount of loss to “your covered auto.”