

FarmersAlliance

Insuring Rural America Since 1888

Date: July 26, 2016

To: All Kansas Farmers Alliance Agents

From: Jack Rader, CPCU, ext. 1540
Chief Marketing Officer

Subject: Personal Auto -- Rate reduction September 1, 2016, and LOTS of great new things added!

Effective September 1, 2016, we are implementing a rate change with an overall effect of -4.1%. This change consists of a liability increase of 6.6% and a physical damage reduction of -14.5%. Since individual policies will vary based on their specific characteristics, you'll definitely want to try a new quote to see the impact of these changes.

We are also excited to introduce **THREE** new endorsements (one optional, two automatically added) that will add even more value to our Personal Auto policy:

- 1** The **Personal Auto PLUS** (UN 4031) is added to all renewal policies beginning September 1st at no additional charge. This endorsement adds several valuable coverages, including coverage for short-term rental vehicles and new car repair or replacement coverage. Please review the attached endorsement and flyer for all the details.
- 2** The **Application of Deductible endorsement** (UN 4027) is also automatically added, at no additional charge, which provides for the application of **one** comprehensive deductible if multiple vehicles are involved in the same loss event. For instance, if two vehicles on a policy are damaged in the same hail storm, we will apply only the highest comprehensive deductible of the two vehicles -- not both deductibles. A copy of this endorsement is also included for your review.
- 3** We now offer optional **Full Glass Coverage**, at a cost of \$75 per vehicle. A copy of the new form is attached (PP 0315).

So many great things to talk about, but also remember the **10% Early Quote Discount** (remember to start that quote 7 days ahead) AND the **12% Multi-Policy Discount** (when there's also a property policy) -- these add up to big savings for your customer!

If you have any questions, please contact me, your Underwriter or Marketing Representative. I hope you're as excited as we are about these great changes for our Personal Auto policy.

JR:tr

enc **Personal Auto PLUS** flyer (*we're happy to send you extra copies of this!*)
UN 4031 02 16 **Personal Auto PLUS** endorsement
UN 4027 02 16 **Application of Deductible** endorsement
PP 0315 FA 03 15 **Full Safety Glass** endorsement

Maximize your protection with **Personal Auto PLUS**

Our **Personal Auto PLUS** automatically gives you even more coverage for your autos! Check out the great list of additions, and see the details in your coverage form (UN 4031).

+PERSONAL AUTO PLUS+ Coverages

+Airbag Replacement Coverage	will pay to replace a factory-installed airbag if it deploys without the vehicle being involved in a collision or other-than-collision loss. No deductible. Excess coverage.
+Vehicle Key or Entry Device Replacement	up to \$500 to replace a vehicle key or other vehicle entry device if it is lost or stolen. No deductible.
<i>These are automatically added if your policy includes Part D: Coverage for Damage to Your Auto:</i>	
+Personal Effects & Portable Electronics Coverage	up to \$500 coverage for items in a vehicle, subject to specific perils. No deductible.
+Non-owned Trailer Coverage	damage to a non-owned trailer is increased to \$3,000 (was \$1,500).
+Transportation Expenses Coverage	coverage amount is increased to \$50 per day, with a maximum of \$1,500 (was \$20 per day, maximum \$600).
+Parked Car Collision Deductible Waiver	if struck by a hit and run vehicle while legally parked and unoccupied, the collision deductible is waived. A police report must be filed.
+New Car Repair or Replacement Coverage	for original owners within 24 months of purchase and 30,000 miles or less on the vehicle, will pay up to the cost of a current model of the vehicle. All perils except fire, theft or larceny.
+Coverage for Short Term Rental Vehicles	up to a maximum of \$100,000 (less \$250 deductible), for damage to a rental vehicle. Also includes up to \$2,500 for loss of use of the rental vehicle (no deductible). Excess coverage.

ALL ADDED AT NO ADDITIONAL CHARGE!!!

For more information about the coverages mentioned, visit with your independent Farmers Alliance Agent.

NO COVERAGE IS PROVIDED BY THIS BROCHURE, NOR IS IT A BINDING CONTRACT.
Refer to the policy for coverage and pricing details.

PERSAUIUTOPLUS (07-2016)

FarmersAlliance
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1122 N Main, PO Box 1401
McPherson, KS 67460
620.241.2200 • www.fami.com

UN 4031 02 16

PERSONAL AUTO PLUS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Personal Effects/Portable Electronic Equipment Coverage:

*This coverage only applies if **Part D – Other Than Collision Coverage** also applies to “your covered auto”.*

“We” will pay up to \$500 per occurrence for the loss of personal property or portable electronic equipment which belongs to “you” or any “family member” while such property is in or on “your covered auto”. No deductible will be applied.

“We” will only cover losses caused by the following perils:

1. Fire;
2. Lightning;
3. Flood;
4. Falling Objects;
5. Explosion;
6. Earthquake;
7. Theft; or
8. Collision.

No coverage is provided for electronic equipment that is permanently attached to “your covered auto” or for electronic equipment that is used in the operation of “your covered auto” except as otherwise provided under this policy.

Airbag Replacement Coverage:

“We” will pay for the cost of reinstalling a factory installed air bag in “your covered auto” if it deploys without the auto being involved in a “collision” or other than “collision” occurrence. No deductible will be applied. This coverage shall be excess over any other valid and collectible insurance or warranty contract providing payment for this covered loss.

Vehicle Key or Entry Device Replacement:

“We” will pay up to \$500 for the necessary and reasonable cost to replace a key or other entry device of “your covered auto” if such key or entry device was lost or stolen. No deductible will be applied.

Non-Owned Trailer Coverage:

*This coverage only applies if **Part D** also applies to “your covered auto”.*

Under **Part D – Coverage for Damage to Your Auto**, the Limit of Liability for any “non-owned auto” which is a trailer is increased to \$3,000.

Transportation Expenses Coverage:

*This coverage only applies if **Part D** also applies to “your covered auto”.*

Part D – Coverage for Damage to Your Auto, Transportation Expenses, Paragraph A. is deleted and replaced with the following:

A. In addition, we will pay, without application of a deductible, up to a maximum of \$1,500 for:

1. Temporary transportation expenses not exceeding \$50 per day incurred by “you” in the event of a loss to “your covered auto”. “We” will pay for such expenses if the loss is caused by:

- a. Other than “collision” only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
 - b. “Collision” only if the Declarations indicate that Collision Coverage is provided for that auto.
2. Expenses for which you become legally responsible in the event of loss to a “non-owned auto”. “We” will pay for such expenses if the loss is caused by:
 - a. Other than “collision” only if the Declarations indicate that Other Than Collision Coverage is provided for any “your covered auto”.
 - b. “Collision” only if the Declarations indicate that Collision Coverage is provided for any “your covered auto”.

However, the most “we” will pay for any expenses for loss of use is \$50 per day.

Parked Car Collision Deductible Waiver:

*This coverage only applies if **Part D** also applies to “your covered auto”.*

If “your covered auto” is struck by a hit and run vehicle while legally parked and unoccupied, “your” “collision” deductible will be waived. A police report must be filed.

New Car Repair or Replacement Coverage:

*This coverage only applies if **Part D** also applies to “your covered auto”.*

The following coverage is added to **Part D – Coverage for Damage to Your Auto**, for any vehicle listed on the declarations page of this policy.

The following is added to **Part D – Coverage for Damage to Your Auto, Limit of Liability:**

- D. “Our” limit of liability for losses caused by all perils other than fire, theft or larceny, will be the cost of a current model vehicle of:
 1. The same make, if possible;
 2. Similar vehicle class size; and
 3. Similar body type and equipmentas “your” damaged vehicle.

However the most “we” will pay for loss will be the lesser of the:

1. Reasonable cost of repair with parts of like kind and quality; or
2. Cost of a current model of the vehicle.

At our option “we” may choose to repair, or to replace the damaged property or to pay for the loss in money.

Additional Exclusions:

The coverage provided by this endorsement does not apply to:

1. A vehicle that was purchased more than 24 months prior to the date of loss.
2. A vehicle which has more than 30,000 miles on it.

3. A vehicle that has not been purchased new by “you” (must be the original titleholder).

Coverage for Short Term Rental Vehicles:

*This coverage only applies if **Part D** also applies to “your covered auto”.*

Part D - Coverage for Damage to Your Auto, Exclusion 13., is amended as follows:

13. Loss to, or loss of use of, a “non-owned auto” rented by:

- a. “You”; or
- b. Any “family member”;

if a rental vehicle company is precluded from recovering such loss or loss of use, from “you” or that “family member”, pursuant to the provisions of any applicable rental agreement or state law.

This exclusion does not apply if “you” or any “family member” is legally obligated to pay for loss to or loss of use of a “non-owned auto” that is rented on a daily basis for less than 30 consecutive days. Coverage includes the following limitations:

1. A \$250 deductible will apply. This deductible will only apply to damage to the rented vehicle. The maximum amount of coverage for damage to the rented vehicle is \$100,000.
2. Coverage for loss of use of the rental vehicle will be limited to a maximum of \$2,500. No deductible will apply to loss of use.
3. The damage or loss must occur while the rental vehicle is being driven by or in the custody of “you” or a “family member” who is authorized to drive the rental vehicle under the rental agreement.

“We” will not pay for:

1. Damage or loss intentionally caused by “you” or a “family member” authorized to drive the rental vehicle under the rental agreement.
2. Damage or loss that resulted when the rental vehicle was being used in violation of the rental agreement.
3. Loss to a rental vehicle due to forfeiture ordered by the courts or destruction or confiscation by civil or governmental authorities because the rental vehicle was used in an illegal activity.
4. Losses excluded under **Part D – Coverage for Damage to Your Auto - Exclusions.**

Coverage for Short Term Rental Vehicles shall be excess over any coverage that applies to the rental vehicle under a policy of insurance specifically covering that auto.

UN 4027 02 16
APPLICATION OF DEDUCTIBLE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Part D – COVERAGE FOR DAMAGE TO YOUR AUTO is revised as follows:

Part D, Paragraph A., INSURING AGREEMENT, is deleted and replaced by the following:

- A.** We will pay for direct and accidental loss to “your covered auto” or any “non-owned auto”, including their equipment, minus any applicable deductible shown in the Declarations. If a covered loss to more than one “your covered auto” or “non-owned auto” results from the same “collision” or other than “collision” occurrence, only the highest applicable deductible will apply. We will pay for loss to “your covered auto” caused by:
- 1.** Other than “collision” only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
 - 2.** “Collision” only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a “non-owned auto”, we will provide the broadest coverage applicable to any “your covered auto” shown in the Declarations.

Policy Number:

PP 0315 FA 03 15

FULL SAFETY GLASS COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

With respect to the coverage provided by this endorsement, the provisions of the policy apply unless modified by the endorsement.

SCHEDULE

Description of Vehicle	Premiums for Full Safety Glass Coverage
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

The following is added to the first paragraph of the Insuring Agreement in Part D:

We will pay under Other Than Collision Coverage for the cost of repairing or replacing damaged safety glass on “your covered auto” without a deductible. Coverage applies to glass used in the windshield, doors and windows as well as glass, plastic and other materials used in lights. We will pay only if:

1. The Declarations indicates that Other Than Collision Coverage applies; and
2. A specific premium charge for Full Safety Glass Coverage is shown in the Schedule or in the Declarations.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.