Personal Auto Policy Language Changes – Ohio

In an effort to improve overall service to our mutual customers, as well as address the latest emerging issues, we are adopting revised auto policy language. These changes aim to clarify policy coverage relating to Ride and Vehicle Sharing programs.   Additionally, the definition of "Your Covered Auto" is being revised to better define "Newly Acquired Auto" in both Michigan and Ohio. We hope all of these revisions will help eliminate confusion for our policyholders in this ever-changing auto environment.

The following changes to policy language will apply to new business and renewal policies beginning on October 1, 2015:

Ride Sharing: Transportation Network Companies (i.e. Uber, Lyft) offer ride sharing services utilizing smart phone applications and other Internet-based platforms to connect passengers with drivers for a fee. Today, the Policy Liability section contains an exclusion for an insured's liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. Similar exclusions also apply to Medical Payments Coverage, Uninsured Motorists Coverage, and Coverage For Damage To Your Auto.

Generally implicit in the terms "public or livery conveyance" is the concept the vehicle is being used for a commercial purpose that may involve a charge. Since Ride Sharing services are available to the general public as a conveyance for a charge, such exposures fall within the scope of the "public or livery conveyance" exclusion. To provide clarity within our current policy language, we are adopting the ISO exclusionary language to define Transportation Network Companies and how they relate to public or livery conveyance.   This exclusionary language has references to the transportation network platform and provides clear language when the exclusion applies.

Vehicle Sharing: Vehicle sharing programs (i.e. RelayRides, Getaround) facilitate the sharing of privately owned vehicles for noncommercial use by individuals enrolled in such a program. These programs typically attract individuals who do not own a vehicle but provide more flexibility than traditional car rental businesses. In order to address Vehicle Sharing exposures, we have revised the amendatory endorsement (#02560, edition 10/1/15) to exclude coverage in situations when your covered auto or a non-owned auto is being operated within the context of a Personal Vehicle Sharing program.

Your Covered Auto / Newly Acquired Vehicle:

This change in policy language clarifies the notification periods involved when an insured acquires a new or substitute vehicle. It also aligns our auto policy language more closely with the ISO policy. The main features of this revised policy language include:

Other than Physical Damage Coverages

- Additional vehicle being added to the policy — Insured must ask us to insure the newly acquired auto within 14 days after becoming the owner.
- Replacing a vehicle currently shown on the Declaration — Insured must ask us to insure the newly acquired auto within 30 days after becoming the owner.

Collision Coverages

- If at least one vehicle on the policy has Collision Coverage — Insured must ask us to insure the newly acquired auto within 14 days after becoming the owner.
- If no vehicles on the policy have Collision Coverage — Insured must ask us to insure the newly acquired auto within 4 days after becoming the owner. A $500 deductible applies during this 4-day period.

Other Than Collision Coverages

- If at least one vehicle on the policy has Other Than Collision Coverage — Insured must ask us to insure the newly acquired auto within 14 days after becoming the owner.
- If no vehicles on the policy have Other Than Collision Coverage — Insured must ask us to insure the newly acquired auto within 4 days after becoming the owner. A $500 deductible applies during this 4-day period.

As a reminder, these changes to the amendatory endorsement will become effective on October 1, 2015, on new and renewal business. Click here for the revised amendatory endorsement is attached, where we highlighted the policy language changes within the document for easy reference. Click here for the Notice to Policyholders regarding Ride Sharing And Vehicle Sharing Exclusions.

These changes will assist us in delivering fast, fair claims service to all our policyholders. If you have any questions relating to these changes, please contact your Personal Lines Field Manager, Underwriter, or me.

Thanks for your continued support of Frankenmuth Insurance.