

Loss Payable Endorsement

Part D, Loss Payee Provision

We will pay for a **loss** covered under Part D, according to **your** interests and the interests of the **loss payee**. **We** will make separate payments according to those interests. **We** will not pay the **loss payee** more than the **actual cash value** of **your insured automobile**.

We will pay the **loss payee** for a **loss** covered under Part D even though **you** have violated the terms of this policy. Notwithstanding the previous sentence, **we** will not pay the **loss payee** for any **loss** caused by fraud, conversion, embezzlement, concealment, material misrepresentation, or intentional acts committed by **you**, at **your** direction, or on **your** behalf. If **we** make a payment to a **loss payee** under a provision of this policy that does not provide coverage to **you**, **we** have the right to reimbursement from **you** for the full amount of **our** payment to the **loss payee**.

If **you** fail to provide a proof of **loss** as required, the **loss payee** must protect its interest by providing a proof of **loss** within 30 days after notification that **you** have failed to do so. The **loss payee** must notify **us** of any known change of ownership or increase in the risk. If it does not, it will not be entitled to any payment under this policy.

We will not notify the **loss payee** each time **you** renew this policy.

We may cancel the policy according to its terms. **We** will protect the **loss payee's** interest for ten days after **we** send notice of termination to the **loss payee**.

If **we** pay the **loss payee** under the terms of this policy for a **loss** **you** are not covered for under the terms of this policy, **we** are subrogated to its rights against **you**. This will not affect the **loss payee's** right to recover the full amount of its claim. The **loss payee** must assign **us** its interest in the amount of **our** payment and transfer all supporting documents to **us**.

If, after repossession of **your insured automobile**, the **loss payee** makes a claim for its interest only, the limit of **our** liability shall not exceed the lesser of:

1. The **actual cash value**:
 - a. Of **your insured automobile**, reduced by the highest deductible permitted by **your** loan agreement with the **loss payee**, but not less than \$250.00 per **loss**; or
 - b. If the **loss** is to a part of **your insured automobile**, the **actual cash value** of that part, reduced by the highest deductible permitted by **your** loan agreement with the **loss payee**, but not less than \$250.00 per **loss**;
2. What it would cost to repair or replace the damage to **your insured automobile** with another of like kind and quality, reduced by a deductible of \$250 per **loss**;
3. The applicable limit of liability stated on the declarations page reduced by a deductible of \$250 per **loss**; or
4. The amount of any impairment of the **loss payee's** interest as represented by **your** unpaid principal balance, which is not more than 60 days past due and does not include interest, insurance, finance, or other carrying charges, reduced by a deductible of \$250 per **loss**.

We reserve the right to choose any of the above at **our** discretion.

If **we** repair or replace **your insured automobile**, **we** shall not be responsible for any diminution in value of **your insured automobile** caused by the **loss**.