

Pennsylvania Personal Auto Insurance Policy



PERSONAL



COMMERCIAL



MOTORCYCLE



RV



HOMEOWNERS



FLOOD



HEALTH & LIFE

10954 (05/16)

National General 
Auto, Home & Health Insurance

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Integon General Insurance Corporation

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YOUR PERSONAL AUTOMOBILE POLICY QUICK REFERENCE

DECLARATIONS PAGE

Your Name, Address, Auto or Trailer, Policy Period, Coverages and Amounts of Insurance

This policy is a legal contract between you and us. These policy provisions, along with the Declarations Page, statements made at the time of application and any endorsements issued, complete this policy.

Read your policy carefully. Provisions of this contract and its endorsements (if any) restrict coverage. Be certain you understand all of the coverage terms, the exclusions, and your rights and duties.

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PERSONAL AUTOMOBILE POLICY

AGREEMENT

This policy is issued and renewed in reliance upon the truth and accuracy of the representations made in the application for this insurance. The terms of this policy impose obligations on all persons defined as **you**. The responsibilities, acts and/or omissions, in connection with this insurance, of any person defined as **you** shall be binding upon all other persons defined as **you**.

In return for payment of the premium and subject to all the terms of this policy, **we** agree with **you** as follows:

DEFINITIONS

- A. Throughout this policy, "**You**" and "**Your**" refer to:
1. The **named insured** shown in the Declarations; and
 2. The spouse if a resident of the same household.
- B. "**We**," "**us**" and "**our**" refer to the Company shown in the Declarations as providing this insurance.
- C. For purposes of this policy, a private passenger type **auto** shall be deemed to be owned by a person if leased:
1. under a written agreement to that person; and
 2. for a continuous period of at least 6 months.

The following words or phrases, when printed in bold-faced type or in quotation marks, are defined as follows:

- D. "**Accident**" means a sudden, unexpected, and unintended event arising out of the ownership, maintenance or use of an **auto** that results in a claim for damages either by an **insured** or against an **insured** under the terms of **your** policy.
- E. "**Actual Cash Value**" means the fair market value of the stolen or damaged property at the time of **loss**.
- F. "**Auto**" means a land motor vehicle having more than three load-bearing wheels and which is required to be registered under the laws relating to motor vehicles designed primarily for operation upon: the public streets; roads and highways; and driven by power other than muscular power.
- G. "**Bodily injury**" means bodily harm, sickness or disease, including death that results therefrom. **Bodily Injury** does not include harm, sickness, disease or death arising out of a medically defined communicable disease contracted by any person nor the exposure of such a disease by any person to any other person.
- H. "**Business**" means trade, profession or occupation.
- I. "**Depreciation**" means decline of value due to wear and tear or obsolescence.
- J. "**Diminution in value**" means the actual or perceived reduction, if any, in the actual cash value by reason of the fact that the property has been damaged and repaired.
- K. "**Family member**" means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child. This does not include married or emancipated children away at school.
- L. "**Loss**" means sudden, direct, and accidental destruction or damage. "Loss" does not include diminution in value.
- M. "**Occupying**" means in; upon; getting into, out of, on or off.
- N. "**Property damage**" means physical injury to, destruction of, or loss of use of tangible property.
- O. "**Recreational vehicle**" means a vehicle used primarily for recreational purposes, with permanently installed equipment for cooking and/or sleeping, which is:
1. a self-propelled motor home;
 2. a van conversion;
 3. a travel trailer; or
 4. a camper body which is designed and constructed to be used with a pickup truck.
- P. "**Trailer**" means a non-powered vehicle, including a farm wagon or farm implement, designed to be pulled on public roads by a:
1. Private passenger **auto**; or
 2. **Recreational vehicle**.
- Q. "**Your covered auto**" means:
1. Any **auto** shown in the Declarations.
 2. Any of the following types of vehicles on the date **you** become the registered owner, but only if **you** have - timely paid any additional premium after asking **us** to insure it as set forth below:
 - a. a private passenger **auto** or station wagon; or
 - b. a pickup truck or private passenger van that:
 - (1) is not used for the delivery or transportation of goods and materials unless such use is:
 - (a) incidental to **your business** of installing, maintaining or repairing furnishings or equipment; or
 - (b) for farming or ranching; and
 - (2) has a Gross Vehicle Weight as specified by the manufacturer of less than 9,000 pounds.
- c. a **recreational vehicle**; or

- d. a vehicle with a Gross Vehicle Weight of 9,000 pounds or more used exclusively to tow **your recreational vehicle** for personal recreational use.

If the auto you acquire replaces an auto shown in the Declarations, it will have the same coverage as the auto it replaced, if you:

- a. acquire the **auto** during the policy period; and
- b. ask **us** to insure it within 30 days after **you** become the owner; and
- c. insure all of the **autos you** own with **us**.

If **you** do not notify **us** within the time limit noted in b., no coverage exists for the replacement **auto**.

If the **auto you** acquire is in addition to any shown in the Declarations, it will have the broadest coverage **we** now provide for any **auto** shown in the Declarations, if **you**:

- a. acquire the **auto** during the policy period; and
- b. ask **us** to insure it within 30 days after **you** become the owner; and
- c. insure all of the **autos you** own with **us**.

If **you** do not notify **us** within the time limit noted in b., no coverage exists for the newly acquired **auto**.

- 3. Any **trailer you** own:
 - a. while attached to **your covered auto**; and
 - b. not used in a **business** or as a primary residence, office, store or for commercial purposes or to transport passengers; and
 - c. that is not insured under any other **auto** insurance policy.

However, if the **trailer** is a **recreational vehicle** or is designed to be pulled by a **recreational vehicle**, item 3. a. above does not apply.

- 4. Any **auto** or **trailer** not owned by **you**, while used on a temporary basis as a substitute for any other **auto** described in this definition, which is out of normal use because of its:
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. **loss**; or
 - e. destruction.

We will only pay that part of the **loss** or claim that is excess over the amounts payable under any other insurance which covers the **loss** or claim.

- R. "**Economic loss**" means medical and other out-of-pocket expenses.
- S. "**Noneconomic loss**" means pain and suffering and other nonmonetary damages.
- T. "**Serious injury**" means a personal injury resulting in death, serious impairment of body function or permanent serious disfigurement.
- U. "**Derivative claim**" includes but is not limited to damages for care; death; loss of service; loss of consortium; or loss of society or companionship.
- V. "**Named Insured**" means the person named in the Declarations.
- W. "**The Act**" means the Pennsylvania Motor Vehicle Financial Responsibility Law.

TORT LIABILITY INSURANCE OPTIONS

A. Who is an Insured Under Tort Liability Insurance Options

As used in this section, an "**insured**" means:

- 1. you or a family member; or
- 2. if residing in your household, a minor in the custody of either you or a family member

B. LIMITED TORT OPTION

If the Declarations shows "Limited Tort" as the Tort Option chosen, the Limited Tort Option applies. Each **insured** who is bound by this option may seek compensation only for **economic loss** suffered because of **bodily injury** caused by **accident** as the consequence of the fault of another person.

However, each **insured** may recover damages as if the **insured** damaged had elected the Full Tort Option:

- 1. If the **bodily injury** suffered is a **serious injury**; or
- 2. If the person at fault:
 - a. is convicted, or accepts Accelerated Rehabilitative Disposition for driving under the influence of alcohol or a controlled substance in that **accident**; or
 - b. is operating a motor vehicle registered in another state; or
 - c. intends to cause intentional injury; or

- d. has not maintained financial responsibility as required by Pennsylvania law, provided that nothing herein shall affect the limitation of a person, precluded from maintaining an action for **noneconomic loss** under the limited tort alternative, to recover **noneconomic loss** under Uninsured Motorists Coverage or Underinsured Motorists Coverage.
- 3. With respect to claims against a person in the business of designing, manufacturing, repairing, servicing or otherwise maintaining motor vehicles arising out of a defect in such motor vehicle which is caused by or not corrected by an act or omission, in the course of such business, other than a defect in a motor vehicle which is operated by such business; or
- 4. If injured while **occupying** a motor vehicle other than a private passenger motor vehicle as defined in **the Act** (Pennsylvania Motor Vehicle Financial Responsibility Law).

The amount **we** will pay for damages is subject to the limitations of Title 75 of the Pennsylvania Consolidated Statutes and nothing herein is intended to nor is it to be construed as broadening the limitations prescribed in the statute.

C. FULL TORT OPTION

If the Declaration shows "Full Tort" as the Tort Option chosen, the Full Tort Option applies. Each **insured** bound by this option may seek compensation for **noneconomic loss** claimed and **economic loss** suffered because of **bodily injury** caused by **accident** as the consequence of the fault of another person.

D. OTHER INSURANCE

If **you** or a **family member** are covered by more than one liability insurance policy and the policies have conflicting Tort Options, **you** or the **family member** are bound by the Tort Option of the policy associated with the motor vehicle in which **you** or the **family member** are **occupying** at the time of the **accident** and, in all other situations, **you** or the **family member** shall be bound by the Full Tort Option.

PART A - LIABILITY COVERAGE

INSURING AGREEMENT

- A. If **you** pay a premium for this coverage, **we** will pay damages, except punitive or exemplary damages, for **bodily injury** or **property damage** for which any **insured** becomes legally responsible because of an **auto accident**. **We** will settle or defend, as **we** consider appropriate, any claim or suit asking for these damages. If **we** defend, **we** will choose the

counsel of **our** choice, which may include an in house counsel. In addition to **our** limit of liability, **we** will pay all defense costs **we** incur. **Our** duty to settle or defend ends when **we** offer to pay and pay **our** limit of liability for this coverage.

We have no duty to defend any suit, settle any claim or pay any judgment for **bodily injury** or **property damage** not covered under this policy.

B. "Insured" as used in PART A means:

- 1. **You** or any **family member** for the ownership, maintenance or use of any **auto** or **trailer**, with the owner's permission.
- 2. Any licensed driver using **your covered auto** with **your** permission.
- 3. For **your covered auto**, any person or organization other than 1. and 2. above. This provision applies only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this PART.
- 4. For any **auto** or **trailer**, other than **your covered auto**, any person or organization other than 1. and 2. above. This provision applies only with respect to legal responsibility for acts or omissions of **you** or any **family member** for whom coverage is afforded under this PART. This provision applies only if the person or organization does not own or hire the **auto** or **trailer**.

SUPPLEMENTARY PAYMENTS

In addition to **our** limit of liability, **we** will pay on behalf of an **insured**:

- 1. Up to \$300 for the cost of bail bonds required because of traffic law violations resulting from an **auto accident**. The **auto accident** must result in **bodily injury** or **property damage** covered under this policy. **We** have no obligation to apply for or furnish a bond.
- 2. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend and **we** choose to appeal.
- 3. For damages covered under this policy, interest accruing after a judgment is entered in any suit **we** defend. **Our** duty to pay interest ends when **we** offer to pay that part of the judgment which does not exceed **our** limit of liability for this coverage.
- 4. Reasonable loss of wages, up to \$50 per day because of attendance at hearings, proceedings, or trials at **our** request. This does not include other types of income.
- 5. Reasonable expenses for emergency first aid **you** administer to others at the scene of an **accident** involving any **auto** covered by this policy.

6. Other reasonable expenses incurred at **our** request.
7. Prejudgment interest awarded against the **insured** on the part of the judgment **we** pay. Any prejudgment interest awarded against the **insured** is subject to the applicable Pennsylvania Rules of Civil Procedure.

EXCLUSIONS

- A. Coverage under this PART A, including **our** duty to defend, does not apply to:
 1. **Bodily injury** or **property damage** caused intentionally by or at the direction of an **insured**.
 2. **Property damage** to property owned or being transported by an **insured** or any occupant of an **insured** vehicle.
 3. **Property damage** to property:
 - a. rented to;
 - b. used by; or
 - c. in the care, custody, or control of;

an **insured** or a person **occupying** an **insured** vehicle.

This exclusion does not apply to **property damage** to a rented residence or rented private garage caused by **your covered auto**.
 4. **Bodily injury** to an employee or fellow employee of any **insured** arising out of or in the course of employment including any person eligible to receive benefits required to be provided or voluntarily provided by an **insured** under a Workers' Compensation statute or policy by either an **insured** or any person who has resided in **your** household for the six month period immediately prior to the **accident**. This exclusion does not apply to **bodily injury** to a domestic employee unless Workers' Compensation benefits, disability benefits, or similar benefits are required or available for that domestic employee.
 5. Liability arising out of the ownership or operation of an **auto** while it is being used to carry persons or property for compensation or a fee or while it is available for public hire. This exclusion does not apply to a share-the-expense car pool.
 6. Any person while employed or otherwise engaged in the **business** of:
 - a. selling;
 - b. repairing;
 - c. servicing;
 - d. storing;
 - e. parking;
 - f. road testing;
 - g. delivering;

- h. leasing; or
 - i. washing
- vehicles designed for use mainly on public roads.

However, coverage does apply to **you**, a **family member**, or any partner, agent or employee of **you** or a **family member** when using **your covered auto**.

7. Maintaining or using any **auto** while that person is employed or otherwise engaged in any **business** not described in Exclusion 6. If a **business** or artisan use is noted in the Declarations for an **auto** shown in the Declarations, this exclusion does not apply to the ownership, maintenance or use of that **auto** by:
 - a. **you**;
 - b. any **family member**; or
 - c. any partner, agent or employee of **you** or any **family member**.
8. Any person using an **auto** beyond the scope of the owner's express permission.
9. **Bodily injury** or **property damage** for which an **insured**:
 - a. is an **insured** under a nuclear energy liability policy; or
 - b. would be an **insured** under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

For the purpose of this exclusion a nuclear energy liability policy means a policy issued by any of the following or their successors:

 - a. Nuclear Energy Liability Insurance Association;
 - b. Mutual Atomic Energy Liability Underwriters; or
 - c. Nuclear Insurance Association of Canada.
10. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of:
 - a. a motorcycle or any motorized vehicle having fewer than four wheels or more than six wheels; or
 - b. an all-terrain vehicle regardless of the number of wheels it has; or
 - c. any self-propelled vehicle not licensed for use on public roads; or
 - d. any vehicle weighing in excess of 9,000 pounds other than **your covered auto**.

11. **Bodily injury** or **property damage** arising out of any person's liability for the ownership, maintenance or use of **your covered auto** when it:
 - a. is being rented or leased to others; or
 - b. has been sold to another; or
 - c. is under a conditional sales agreement by **you** to another.
12. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of an **auto** while it is being operated in or while in practice or preparation for any prearranged or organized:
 - a. race event;
 - b. hill climb;
 - c. demonstration;
 - d. speed contest;
 - e. stunting contest;
 - f. performance contest; or
 - g. demolition contest.
13. **Bodily injury** or **property damage** for which the United States Government is held responsible under the Federal Tort Claims Act.
14. **Bodily injury** or **property damage** arising out of any liability assumed by an **insured** under any contract or agreement.
15. **Bodily injury** or **property damage** arising out of the ownership or operation of any vehicle while it is being used in an unlawful activity (other than a traffic violation) or used or operated in an attempt to flee a law enforcement agent or crime scene. This exclusion applies regardless of whether the **insured** is actually charged with, or convicted of, a crime. This exclusion does not apply in cases of drug and alcohol related accidents.
16. **Bodily injury** or **property damage** caused by or any consequence of any:
 - a. war, whether declared or undeclared;
 - b. civil war;
 - c. insurrection;
 - d. rebellion or revolution;
 - e. radioactive contamination;
 - f. nuclear reaction or radiation, whether controlled or uncontrolled or however caused.
17. **Bodily injury** or **property damage** arising out of the ownership, maintenance, or use of **your covered auto** as a residence or premises.
18. **Bodily injury** or **property damage** arising out of or resulting from, in whole or in part, any actual, alleged, or threatened migration, release, existence, or presence of or actual, alleged, or

threatened exposure to any mold, mildew, fungus or other microbes, including any type or form of: (i) decomposing or disintegrating organic material or microorganism; (ii) organic surface growth on moist, damp, or decaying matter; (iii) yeast or spore-bearing plant-like organism; or (iv) spores, scents, toxins, mycotoxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus, or other microbes.

- B. **We** do not provide Liability Coverage for the ownership, maintenance or use of:
 1. Any **auto**, other than **your covered auto**, which is:
 - a. owned by **you**; or
 - b. furnished or available for **your** regular use.
 2. Any **auto**, other than **your covered auto**, which is:
 - a. owned by any **family member** or any person who has resided in **your** household for the six month period immediately prior to the **accident** prior to the **accident**;
 - b. furnished or available for the regular use of any **family member** or any person who has resided in **your** household for the six month period immediately prior to the **accident**.

However, this exclusion, B.2., does not apply to **you**.

LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for each person for **Bodily Injury** Liability Coverage is **our** maximum limit of liability for all damages for **bodily injury**, sustained by any one person in any one **auto accident**. This includes all **derivative claims** arising out of said **bodily injury**. Subject to this limit for each person, the limit of liability shown in the Declarations for each **accident** for **Bodily Injury** Liability Coverage is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one **auto accident**. This includes all **derivative claims** arising out of said **bodily injury**. The limit of liability shown in the Declarations for each **accident** for **Property Damage** Liability Coverage is **our** maximum limit of liability for all damages to all property resulting from any one **auto accident**. The limit of liability shown in the Declarations is the most **we** will pay under **Bodily Injury** Liability Coverage or **Property Damage** Liability Coverage, whichever is applicable, as a result of any one **auto accident** regardless of the number of:
 1. Insureds;
 2. Claims made;
 3. Autos or premiums shown in the Declarations;

4. Vehicles involved in the accident;
5. Premiums paid; or
6. Lawsuits brought.

An **auto** and attached **trailer** are considered one **auto**. Therefore, the limit of liability will not be increased for an **accident** involving an **auto** with an attached **trailer**.

- B. Any amount payable under this coverage to or for an injured person will be reduced by any payment made to that person under First Party Benefits or Uninsured/Underinsured Motorists coverage.
- C. No one will be entitled to receive duplicate payments for the same elements of damage.

OUT OF STATE COVERAGE

If an **auto accident** to which this policy applies occurs in any state or province other than the one in which **your covered auto** is principally garaged, **we** will interpret **your policy** for that **auto accident** as follows:

If the state or province has:

1. A financial responsibility or similar law specifying limits of liability for **bodily injury** or **property damage** higher than the limit shown in the Declarations, **your policy** will provide the higher specified limit.
2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses an **auto** in that state or province, **your policy** will provide at least the required minimum amounts and types of coverage.

FINANCIAL RESPONSIBILITY REQUIRED

When this policy is certified as proof of financial responsibility, this policy will comply with the law to the extent required. If **we** make a payment for an **accident** which is not covered under the terms of this policy, but which **we** paid solely to comply with the terms of a financial responsibility certification, **you** must reimburse **us** to the extent of such payment.

OTHER INSURANCE

If there is other applicable liability insurance or bond, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit bears to the total of all applicable limits. However, any insurance **we** provide for an **auto you** do not own shall be excess over any other collectible insurance, self-insurance, bond or any other collectible proceeds from a governmental entity.

PART B - FIRST PARTY BENEFITS COVERAGE

ADDITIONAL DEFINITIONS USED IN THIS PART

- A. "**Accidental death**" means the death of **you** or any **family member** from **bodily injury** caused by

accident, if the death occurs within 24 months from the date of the **accident**.

- B. "**Funeral expense**" means reasonable and necessary expenses incurred for, and directly related to, the funeral, burial, cremation or other form of disposition of the remains of the deceased **insured**. The expenses must be incurred as a result of the death of the **insured** and within 24 months from the date of the **accident**.
- C. "**Income loss**" means eighty (80%) percent of gross income actually lost by an **insured**.

Income loss also means reasonable expenses actually incurred for hiring:

1. a substitute to perform the work a self-employed **insured** would have performed except for **bodily injury**, or
2. special help, thereby enabling a person to work, thereby reducing **loss** of gross income.

Income loss does not include:

1. loss of expected income for any period following the death of an **insured**; or
2. expenses incurred for services performed following the death of an **insured**; or
3. any loss of income during the first five (5) working days the **insured** did not work after the **accident** because of the **bodily injury**.

- D. "**Insured**" means:

1. you or any family member;
2. any other person:
 - a. while occupying your covered auto; or
 - b. while a pedestrian if injured as a result of an accident in Pennsylvania involving your covered auto.

If **your covered auto** is parked and unoccupied it is not a **motor vehicle** involved in an **accident** unless it was parked in a manner as to create an unreasonable risk of injury.

- E. "**Medical expenses**" means reasonable and necessary charges incurred for:
 1. medical treatment, including but not limited to:
 - a. medical, hospital, surgical, nursing and dental services;
 - b. medications, medical supplies and prosthetic devices; and
 - c. ambulance;
 2. medical and rehabilitative services, including but not limited to:
 - a. medical care;
 - b. licensed physical therapy, vocational rehabilitation and occupational therapy;

- c. osteopathic, chiropractic, psychiatric and psychological services; and
 - d. optometric services, speech pathology and audiology;
3. non-medical remedial care and treatment rendered in accordance with a recognized religious method of healing.

All medical treatment and medical and rehabilitative services must be provided by or prescribed by a person or facility approved by the Department of Health, the equivalent governmental agency responsible for health programs or the accrediting designee of a department or agency of the state in which those services are provided.

Medical expenses will be paid if incurred within 18 months from the date of the **accident** causing **bodily injury** and if such expenses have not been found to be unnecessary by a state approved Peer Review Organization. However, if within 18 months from the date of the **accident**, it can be determined with reasonable medical probability that additional expenses may be incurred after this period, the 18 month time limit will not apply to the payment of the additional **medical expenses**. The amount **we** will pay is subject to the limitations of Title 75 of the Pennsylvania Consolidated Statutes.

F. "**Motor vehicle**" means a self-propelled vehicle, operated or designed for use upon public roads. However, **motor vehicle** does not include a vehicle operated:

- 1. By muscular power; or
- 2. On rails or tracks.

G. "**Your covered auto**" means a motor vehicle:

- 1. to which liability coverage under this policy applies and for which a specific premium is charged; and
- 2. for which **you** maintain First Party Benefits Coverage as required under **the Act**.

INSURING AGREEMENT

A. Basic First Party Benefits Option

We will pay Basic First Party Benefits consisting of **Medical Expenses** to or for an **insured** who sustains **bodily injury** caused by an **accident** arising out of the maintenance or use of a **motor vehicle**. **Our** Limit of Liability for **Medical Expenses** is \$5,000.00.

B. Added First Party Benefits Option

If the Declarations indicates Added First Party Benefits Coverage applies, **we** will pay Added First Party Benefits instead of the Basic First Party Benefit, to or for an **insured** who sustains **bodily injury** caused by an **accident** arising out of the maintenance or use of a **motor vehicle**.

Added First Party Benefits consists of the following:

- 1. **Medical Expenses** if it appears in the Declarations. The Limit of Liability for the **Medical Expenses** is increased to the amount shown in the Declarations.
- 2. **Income Loss** if it appears in the Declarations. The maximum Limit of Liability for **income loss** is the amount shown in the Declarations.

The Limit of Liability for any one month is the "Monthly Amount" shown for that option in the following schedule.

Income Loss Schedule

| Maximum Amount | Monthly Amount |
|----------------|----------------|
| \$ 5,000 | \$1,000 |
| \$15,000 | \$1,000 |
| \$25,000 | \$1,500 |
| \$50,000 | \$2,500 |

- 3. **Funeral Expense** if it appears in the Declarations. The Limit of Liability for **funeral expense** is the amount shown in the Declarations.
- 4. **Accidental Death** benefit if it appears in the Declarations. The Limit of Liability for **accidental death** benefit is the amount shown in the Declarations.

We will pay **accidental death** benefit to the executor or administrator of the deceased **insured's** estate. If there is no executor or administrator, the benefit shall be paid to:

- a. The deceased **insured's** surviving spouse; or
- b. If there is no surviving spouse, the deceased **insured's** surviving children; or
- c. If there is no surviving spouse or children, to the deceased **insured's** estate.

C. Combination First Party Benefits Option

This option applies if Combination First Party Benefits appears in the Declarations. The Limit of Liability for **Medical Expenses, Income Loss, Funeral Expense** and **Accidental Death** combined is the amount shown in the Declarations. The "total limit" is the most **we** will pay as the result of **bodily injury** to any one **insured** as the result of any one **accident**. However, the most **we** will pay for:

- 1. **Funeral Expense** is \$2,500.
- 2. **Accidental Death** is \$25,000.

We will only pay for expense or **loss** incurred within three years from the date of the **accident**.

EXCLUSIONS

We do not provide benefits for **bodily injury**:

1. Sustained by any person while intentionally causing or attempting to cause **bodily injury** to:
 - a. himself;
 - b. herself; or
 - c. any other person.
2. Sustained by any person while committing a felony.
3. Sustained by any person while seeking to elude lawful apprehension or arrest by a law enforcement official.
4. Sustained by any person while maintaining or using a **motor vehicle** knowingly converted by that person. However, this exclusion does not apply to:
 - a. **You**; or
 - b. any **family member**
5. Sustained by any person who, at the time of the **accident**:
 - a. is the owner of one or more registered **motor vehicles** and none of those **motor vehicles** have in effect the financial responsibility required by **the Act**, or
 - b. is **occupying** a **motor vehicle** owned by that person for which the financial responsibility required by **the Act** is not in effect.
6. Sustained by any person maintaining or using a **motor vehicle** while located for use as a residence or premises.
7. Sustained by any person injured as a result of conduct within the course of the **business** or repairing, servicing or otherwise maintaining **motor vehicles**. This exclusion (7.) does not apply if the conduct is off the **business** premises.
8. Sustained by a pedestrian if the **accident** occurs outside of Pennsylvania. This exclusion (8.) does not apply to:
 - a. **You**; or
 - b. any **family member**.
9. Sustained while **occupying**
 - a. a motorcycle or any motorized vehicle having fewer than four wheels or more than six wheels; or
 - b. an all-terrain vehicle regardless of the number of wheels it has; or
 - c. any self-propelled vehicle not licensed for use on public roads; or
 - d. any vehicle weighing in excess of 9,000 pounds other than **your covered auto**.
10. Caused by or as a consequence of:
 - a. discharge of a nuclear weapon (even if accidental);
 - b. war (declared or undeclared);
 - c. civil war;
 - d. insurrection; or
 - e. rebellion or revolution
11. From or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - a. nuclear reaction;
 - b. radiation; or
 - c. radioactive contamination.
12. Resulting from ownership, maintenance, or use of an **auto** while it is being operated in or while in practice or preparation for any prearranged or organized:
 - a. race;
 - b. hill climb;
 - c. demonstration;
 - d. speed contest;
 - e. stunting contest;
 - f. performance contest; or
 - g. demolition contest.
13. Arising out of the ownership or operation of an **auto** while it is being used to carry persons or property for compensation or a fee. This exclusion does not apply to a share-the-expense car pool.
14. Sustained by any person injured by **your covered auto** while it is unoccupied and parked so as to not cause unreasonable risk of injury.
15. Arising out of or resulting from, in whole or in part, any actual, alleged, or threatened migration, release, existence, or presence of or actual, alleged, or threatened exposure to mold, mildew, fungus or other microbes, including any type or form of: (i) decomposing or disintegrating organic material or microorganism; (ii) organic surface growth on moist, damp, or decaying matter; (iii) yeast or spore-bearing plant-like organism; or (iv) spores, scents, toxins, mycotoxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus, or other microbes.

LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for this coverage is the maximum limit of liability **we** will pay

to or for each **insured** as a result of any one **accident** regardless of the number of:

1. **Insurers** providing First Party Benefits;
 2. Claims made;
 3. **Autos** or premiums shown in the Declarations;
 4. Vehicles involved in the **accident**;
 5. Premiums paid; or
 6. Lawsuits brought.
- B. If Combination First Party Benefits are afforded, **we** will make available at least the minimum limit required by **the Act** for Basic First Party Benefits. This provision will not change **our** maximum limit of liability.
- C. Any amount payable under this coverage shall be excess over any amounts paid, payable or required to be provided to an **insured** under any workers' compensation law or similar law.
- D. When **we** make payment to **you** for any amount due under this PART B, **we** may deduct from the payment any premium or fees that are due and unpaid under this policy.

OTHER INSURANCE

- A. **We** will pay all First Party Benefits in accordance with the order of priorities set forth by **the Act**. **We** will not pay if there is another insurer at a higher level of priority. The First category listed below is the highest level of priority and the Fourth category listed below is the lowest level of priority. The priority order is:
- First: The insurer providing benefits to the **insured** as a **named insured**.
- Second: The insurer providing benefits to the **insured** as a **family member** who is not a **named insured** under another policy providing coverage under **the Act**.
- Third: The insurer of the **motor vehicle** which the **insured** is **occupying** at the time of the **accident**.
- Fourth: The insurer providing benefits on any **motor vehicle** involved in the **accident** if the **insured** is:
1. not **occupying** an **auto**; and
 2. not provided First Party Benefits under any other automobile policy.
- In this priority, an unoccupied parked **motor vehicle** is not a **motor vehicle** involved in an **accident** unless it was parked in a manner as to create an unreasonable risk of injury.
- B. If two or more policies have equal priority within the highest applicable priority level:

1. The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible. The insurer is then entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim. If such contribution is sought among insurers under the Fourth priority, proration shall be based on the number of involved **motor vehicles**.
2. If **we** are the insurer against whom the claim is first made, **our** payment to or for an **insured** will not exceed the applicable limit of liability for First Party Benefits Coverage shown in the Declarations.
3. The maximum recovery under all policies will not exceed the amount payable under the policy with the highest limit of liability.

CONDITIONS

- A. **Medical Reports; Proof of Claim.** As soon as practicable, the **insured** or someone on his or her behalf shall give **us** proof of claim, under oath if required, fully describing the nature and extent of **bodily injury**, treatment and rehabilitation received and contemplated and other information to assist **us** in determining the amount due and payable.

Proof of claim shall be made upon forms furnished by **us** unless **we** fail to supply such forms within 15 days after receiving notice of claim.

The **insured** shall submit to mental and physical examinations by physicians or psychologists selected by **us** when and as often as **we** may reasonably require. **We** will pay the costs of such examinations.

The **insured** (or, in the event of such person's incapacity or death, his or her legal representative) shall, if **we** request, sign papers to enable **us** to obtain medical reports and copies of records. A copy of such medical report will be forwarded to such **insured** upon his or her written request.

If **income loss** benefits are claimed, the **insured** presenting such claim shall authorize **us** to obtain details of all earnings paid to him or her by an employer or earned by him or her since the time of the injury or during the year immediately preceding the date of the **accident**.

- B. **Customary Charges for Treatment.** The amount **we** will pay to a person or institution providing treatment, accommodation, products or services to an **insured** for an injury covered by benefits for **medical expenses** shall not exceed the amount the person or institution customarily charges for like treatment, accommodations, products and services in cases involving no insurance.

CONSTITUTIONALITY CLAUSE

The premium for, and the coverages of this policy were established based on the provisions of the Pennsylvania Motor Vehicle Financial Responsibility Law.

If a court of competent jurisdiction declares any provision of this endorsement invalid **we** have the right to amend that provision and to recompute the premium for this coverage subject to the approval of the Insurance Commissioner.

NON-DUPLICATION OF BENEFITS

No one will be entitled to recover duplicate payments for the same elements of **loss** under this or any other similar automobile insurance including self-insurance.

Any amount payable under this PART B shall be excess over any amounts paid, payable or required to be paid under any worker's compensation law or similar law.

PART C - UNINSURED AND UNDERINSURED MOTORISTS COVERAGE

Uninsured Motorist Coverage

Stacked Uninsured Motorist (Bodily Injury)

Non-Stacked Uninsured Motorist (Bodily Injury)

Underinsured Motorist Coverage

Stacked Underinsured Motorist (Bodily Injury)

Non-Stacked Underinsured Motorist (Bodily Injury)

INSURING AGREEMENT

If **you** pay a premium for Uninsured Motorist Coverage or Underinsured Motorist Coverage, and such coverage is indicated in the Declarations, **we** will pay damages, except punitive and exemplary damages, which an **insured** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** or an **underinsured motor vehicle**, as applicable, because of **bodily injury**:

1. Sustained by an **insured**; and
2. Caused by an **auto accident**.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of an **uninsured motor vehicle** or **underinsured motor vehicle**.

We will pay under this PART C only after the limits of liability under any applicable **bodily injury** liability bonds or policies have been exhausted by payment of judgments or settlements.

Any judgment against the uninsured/underinsured owner or driver will be binding on **us** only if **we** consent to be bound in writing.

DEFINITIONS

A. "**Insured**" as used in this PART means:

1. **You** or any **family member**.
2. Any other person **occupying your covered auto** within the scope of your express permission.
3. Any personal representative for damages that person is legally entitled to recover because of bodily injury to which this coverage applies sustained by a person listed in 1. or 2. above.

B. "**Uninsured motor vehicle**" means a land motor vehicle or **trailer**:

1. Not insured by a **bodily injury** liability bond or policy at the time of the **accident**.
2. Which is a hit-and-run vehicle whose owner or operator is unknown and which hits or causes **bodily injury** without hitting:
 - a. **you** or any **family member**;
 - b. any **auto** which **you** or any **family member** are occupying; or
 - c. **your covered auto**;provided that the **insured** or someone on his or her behalf reports the **accident** to a police officer or Commissioner of Motor Vehicles and provides a report setting forth the facts of the **accident** to **us** within thirty (30) days of the **accident**, or as soon as practicable thereafter.
3. For which a **bodily injury** liability bond or policy applies at the time of the **accident** but the bonding or insuring company:
 - a. denies coverage; or
 - b. is or becomes insolvent.

However, an "**uninsured motor vehicle**" does not include any vehicle or equipment that is:

1. An **underinsured motor vehicle**.
2. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.

C. "**Underinsured motor vehicle**" means a land **motor vehicle** or **trailer** to which a **bodily injury** liability policy or bond applies at the time of the **accident**, but the amount paid for **bodily injury** under that bond or policy to an **insured** is not enough to pay the full amount the **insured** is legally entitled to recover as damages. **Underinsured motor vehicle** does not include an **uninsured motor vehicle**.

However, an **uninsured motor vehicle** or **underinsured motor vehicle** does not include any vehicle or equipment:

1. Operated on rails or crawler treads.
2. Which is designed mainly for use off public roads while not on public roads.

3. While in use as a residence or premises or located for such use.
4. Owned by or furnished or available for the regular use of **you** or any **family member**.
5. Which is insured for coverage under PART A of this policy.
8. While **occupying** any **auto**
 - a. being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - b. used or operated in an attempt to flee a law enforcement agent;

and such person is a willing participant in such activity listed in a. or b. above.

EXCLUSIONS

A. **We** do not provide Uninsured Motorists Coverage or Underinsured Motorists Coverage for **bodily injury** sustained by any **insured**:

1. If that person or the legal representative settles the **bodily injury** claim without **our** written consent with any person or organization who may be liable.
2. While **occupying your covered auto** while it is used to carry persons or property for a fee or while it is available for public hire. This exclusion does not apply to a share-the-expense car pool.
3. Using or **occupying** an **auto** beyond the scope of the owner's express permission.
4. For **noneconomic loss** caused by an **accident** involving an **uninsured motor vehicle** or **underinsured motor vehicle** unless the injured person has a legal right to recover for **noneconomic loss** under **the Act**. The injured person's legal right to recover damages for **noneconomic loss** under **the Act** will be determined by the liability tort limitation, if any, applicable to that person.
5. Arising out of the ownership, maintenance or use of an **auto** while it is being operated in or while in practice or preparation for any prearranged or organized:
 - a. race;
 - b. hill climb;
 - c. demonstration;
 - d. speed contest;
 - e. stunting contest;
 - f. performance contest; or
 - g. demolition contest.
6. When caused by the use of firearms or any other weaponry.
7. While **occupying** or when struck by any **motor vehicle** owned by or available for the regular use of **you** or any **family member** or any person who has resided in **your** household for six months prior to the **accident** which is not insured for this coverage under this policy. This exclusion applies to any **trailer** of any type used with such vehicle.

9. While operating, **occupying**, or when struck by, any motor vehicle owned by, furnished to, or available for the regular use of that insured which is not **insured** for this coverage provided under this policy. This includes a trailer of any type used with that motor vehicle.

B. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:

1. workers' compensation law; or
2. disability benefits law.

LIMIT OF LIABILITY

A. For **you** or a **family member**, the uninsured or underinsured coverage shown in the Declarations for:

1. "each person" is the maximum that **we** will pay for damages arising out of **bodily injury** to one person in any one motor vehicle **accident**, including derivative claims of anyone else as a result of that **bodily injury** except where the Declarations provide that stacking applies, in which event **our** maximum limit of liability for damages to **you** or any **family member** in any one **accident**, including **derivative claims** of anyone else as a result of that **bodily injury**, is the sum of the "each person" limits for each covered **auto** shown on the Declarations.
2. "each **accident**" is the maximum that **we** will pay for damages arising out of **bodily injury** to two or more persons in any one motor vehicle **accident**, including **derivative claims** of anyone else as a result of that **bodily injury**, except where the Declarations provide that stacking applies in which event, our maximum limit of liability for damages to **you** or any **family member** in any one **accident**, including **derivative claims** of anyone else as a result of that **bodily injury**, is the sum of the "each **accident**" limits for each covered **auto** shown on the Declarations.
3. For any person other than **you** or a **family member**, our maximum limit of liability is the **bodily injury** limit shown on the Declarations applicable to the vehicle the insured person was **occupying** at the time of the motor vehicle **accident**.

- B. Any amount otherwise payable for **bodily injury** under this coverage shall be reduced by all sums:
1. Paid or payable from or on behalf of persons or organizations who may be legally responsible. This includes all sums paid or payable under PART A; and
 2. Paid or payable under any of the following or similar law:
 - a. workers' compensation law;
 - b. disability benefits law; or
 - c. medical expenses coverage.
- C. Any payment made under this Uninsured or Underinsured Motorist Coverage shall reduce the amount that person is entitled to receive for the same element of **loss** under Liability Coverage and First Party Benefits Coverage of this policy.
- D. In no event shall an **insured** be entitled to receive duplicate payment for the same element of **loss**.
- E. If an **uninsured motor vehicle** and an **underinsured motor vehicle** are jointly liable for damages, no person shall be entitled to recover damages under both Uninsured and Underinsured portions of the policy.

OTHER INSURANCE

If there is other applicable similar insurance available under more than one policy or provision of coverage:

1. The following priorities of recovery apply for Uninsured and Underinsured Motorist Coverage:

First: The Uninsured or Underinsured Motorist Coverage applicable to the vehicle the **insured** was **occupying** at the time of the **accident**.

Second: A policy affording Uninsured or Underinsured Motorist Coverage to the **insured** as a **named insured** or **family member**.

2. **We** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all limits applicable on the same level of priority.
3. If two or more policies have equal priority within the highest applicable level, the insurer against which the claim is first made shall process and pay the claim, up to its limit of liability, as if wholly responsible subject to subsequent contribution pro-rata from any other insurer for the damages paid and the costs of processing the claim.
4. For Non-stacked Uninsured and Non-stacked Underinsured Motorist Coverage the following provisions also apply:
 - a. When there is applicable insurance available under the First priority:
 - (1) The limit of liability applicable to the vehicle the **insured** was **occupying** under the policy in the First priority, shall first be exhausted; and
 - b. The maximum recovery under all policies in the Second priority may equal but not exceed the highest applicable limit of liability for Uninsured Motorists or Underinsured Motorists Coverage for any one vehicle under any one policy providing coverage to **you** or any **family member**.
 - c. When there is no applicable insurance available under the First priority, the maximum recovery under all policies in the Second priority shall not exceed the highest applicable limit for any one vehicle under any one policy.

PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

- A. If **you** pay a premium for this coverage, **we** will pay for direct and accidental **loss** to **your covered auto** or any **non-owned auto**, including their equipment. **We** will pay for **loss** to **your covered auto** caused by:

1. **Collision** only if the Declarations indicate that **Collision** Coverage is provided for that **auto**.
2. **Other Than Collision** only if the Declarations indicate that **Other Than 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 of **your covered autos** shown in the Declarations.

Our payment will be reduced by any deductible shown in the Declarations.

- B. "**Collision**" means the upset of **your covered auto** or a **non-owned auto** or its impact with another vehicle or object.
- C. "**Other Than Collision**" means **loss** caused by the following :
1. Missiles or falling objects;
 2. Fire;
 3. Theft or larceny;
 4. Explosion or earthquake;
 5. Windstorm;
 6. Hail, water or flood;
 7. Malicious mischief or vandalism;
 8. Riot or civil commotion;
 9. Contact with bird or animal; or
 10. Breakage of glass, except as a result of **collision**.

- D. “**Non-owned auto**” means: any private passenger **auto**, pickup, van or **trailer** not owned by or furnished or available for the regular use of **you** or a **family member** while in the custody of or being operated by **you** or any **family member** and while being used within the scope of the owner’s express permission.
- E. “**Customized equipment and parts**” means equipment, devices, accessories, changes and enhancements, other than those installed by the original manufacturer, which alter the appearance or performance of an **auto**. This includes, but is not limited to, such items as: body or suspension alterations; custom or special wheels or tires; side exhausts; roll bars; light bars; spoilers; ground effects; bedliners; side exhausts; utility boxes; custom windows; custom painting; murals; or decals or graphics and also, includes but is not limited to, such items as any electronic equipment; antennas; and other devices used exclusively to send or receive audio, visual or data signals; or play back recorded media; which are permanently installed in **your covered auto** using bolts, brackets or slide-out brackets.

TOWING AND STORAGE CHARGES

In addition, after an **auto accident** to which PART D applies, **we** will pay reasonable charges for transporting and storing **your covered auto** or any **non-owned auto** to a repair facility near the location of **loss**.

TRANSPORTATION AND EMERGENCY TRAVEL EXPENSES

A. Following Theft **Losses**:

In addition, **we** will pay, without application of a deductible, up to \$20 per day, to a maximum of \$600 for:

1. Transportation expenses incurred from a commercially licensed rental agency by **you** in the event of the total theft of **your covered auto**. This applies only if the Declarations indicate that **Other Than Collision** is provided for that **auto**.
2. Loss of use expenses for which **you** become legally responsible in the event of the total theft of a **non-owned auto**. This applies only if the Declarations indicate that **Other Than Collision** Coverage is provided for any **your covered auto**.

We will pay only expenses incurred during the period:

1. Beginning 48 hours after the theft; and
2. Ending when **your covered auto** or the **non-owned auto** is returned to use or **we** offer to pay for its **loss**.

However, if **you** purchase Rental Reimbursement Coverage with the same or higher limits of coverage than this section provides, then the provisions and limits of the Rental Reimbursement Coverage shall apply to the total theft of **your covered auto** and **non-owned auto**

Rental Reimbursement Coverage cannot be combined or stacked for any **loss** with the Transportation Expenses Coverage provided under this section.

B. **Losses** Occurring Away from Home:

In the event of a **loss** covered under PART D which causes **your covered auto** to become inoperable more than 100 miles from **your home**, **we** will pay costs **you** incur for: lodging; transportation; and meals; up to \$100 per day and a maximum of \$500, until **your covered auto** is repaired or returned to its principal garaging location. \$500 is the most **we** will pay for such expenses regardless of any other emergency expense allowance, additional living expense, or transportation expense coverage in **your policy**.

The following supplementary payments are added. They apply only to **your covered auto** that has both Collision and Other Than Collision Coverage as shown by a premium for those coverages in the Declarations. No deductible applies to these payments.

LOCKSMITH SERVICES

We will pay up to \$50 for the expense **you** incur for locksmith’s service if **your covered auto’s** ignition or door key is lost, stolen, or locked in **your covered auto**.

THEFT REWARD

We will pay \$1,000 to any person providing information which directly results in the conviction of any person(s) involved in the total theft of **your covered auto** or any **non-owned auto**. The total amount **we** will pay for any such conviction is \$1,000 regardless of the number of persons who may provide information resulting in any such conviction and regardless of the number of persons convicted of the crime.

EXCLUSIONS

We will not pay for:

1. **Loss** to **your covered auto** or any **non-owned auto** which occurs while it is being used to carry persons or property for compensation or a fee. This exclusion does not apply to a share-the-expense car pool.
2. Damage due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown or failure;
 - d. road damage to tires; or
 - e. lack of oil, transmission fluid, or coolant.

This exclusion does not apply if the damage results from the total theft of **your covered auto** or any **non-owned auto**.

3. **Loss** due to or as a consequence of:
 - a. radioactive contamination;
 - b. war, whether declared or undeclared;
 - c. civil war;
 - d. insurrection;
 - e. rebellion or revolution; or
 - f. discharge of any nuclear weapon, even if accidental.
4. **Loss to a trailer you own** which is not shown in the Declarations. This exclusion does not apply to a **trailer you**:
 - a. acquire during the policy period; and
 - b. ask **us** to insure within 30 days after **you** become the owner.
5. **Loss to your covered auto** or any **non-owned auto** due to forfeiture ordered by the courts or destruction or confiscation by governmental or civil authorities. This exclusion does not apply to the interests of Loss Payees in **your covered auto**.
6. **Loss to your covered auto** and **non-owned auto** being maintained or used by any person while employed or otherwise engaged in the **business** of:
 - a. selling;
 - b. repairing;
 - c. servicing;
 - d. storing;
 - e. parking;
 - f. road testing;
 - g. delivering; or
 - h. washing

vehicles designed for use on public roads.
7. **Loss to your covered auto** while maintained or used by any person employed or otherwise engaged in any **business** not described in Exclusion 6. If a **business** or artisan use is noted in the Declarations for an **auto** shown in the Declarations, this exclusion does not apply to the ownership, maintenance or use of that **auto** by:
 - a. **you**; or
 - b. any **family member**.
8. **Loss to your covered auto** or any **non-owned auto** which occurs while being operated in, or while in practice or preparation for any prearranged or organized:
 - a. race;
 - b. hill climb;
 - c. demonstration;
 - d. speed contest
 - e. stunting contest;
 - f. performance contest; or
 - g. demolition contest.
9. **Loss** to equipment designed or used for the detection of radar or laser.
10. **Loss** to wearing apparel, tools or personal effects.
11. **Loss** to tapes, records, compact discs, or other media, or any other accessories used with electronic equipment designed to receive or transmit audio, visual or data signals.
12. **Loss** due to and resulting from intentional acts committed by or at the direction of **you** or any **family member**.

This exclusion does not apply to damage to **your covered auto**, **non-owned auto** and **customized equipment** to the extent of the legal interest of **you**, any insured person, a **family member**, or any person listed as a driver in the Declarations who;

 1. Sustains the damage to **your covered auto**, **non-owned auto** and **customized equipment** as the result of family violence by;
 - a. **You**;
 - b. A **family member**;
 - c. A former spouse; or
 - d. Any person who resides or has resided in **your** household.
 2. Did not direct, participate in, or consent to the intentional act causing the damage to **your covered auto**, **non-owned auto** and **customized equipment**; and
 3. Filed a family violence complaint against the person who caused the violence resulting in the damage to **your covered auto**, **non-owned auto** and **customized equipment**.
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.
14. **Loss to your covered auto** while it:
 - a. is being rented or leased to others;
 - b. has been sold to another; or
 - c. is under a conditional sales agreement by **you** to another.

15. **Loss to your covered auto** and its equipment while **you** or any **family member** or anyone driving with express or implied permission from **you** or a **family member**:
- is using **your covered auto** in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - using or operating **your covered auto** in an attempt to flee a law enforcement agent; and such person is a willing participant in such activity listed in a. or b. above.
16. **Loss to your covered auto** or any **non-owned auto**, caused directly or indirectly by any of the following: (a) water leakage or seepage; (b) wet or dry rot; (c) rust or corrosion; (d) dampness of atmosphere or extremes of temperature; (e) deterioration or disintegration; or (f) delamination unless caused by any other **loss** covered under this PART D.
17. **Loss to your covered auto** or any **non-owned auto**, caused directly or indirectly by mold, mildew, fungus or other microbes, including any type or form of: (a) decomposing or disintegrating organic material; (b) organic surface growth on moist, damp, or decaying matter; (c) yeast or spore bearing plant-like organism; or (d) spores, scents, toxins, mycotoxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus or other microbes. However, this exclusion does not apply to **loss** caused by mold, mildew or fungus, if such **loss** is caused by any other **loss** covered in this PART D.

LIMIT OF LIABILITY

- A. **Our** limit of liability for **loss** will be the lesser of the:
- actual cash value;
 - amount necessary to repair or, at our option, replace the property with other property of like kind and quality less deduction for any applicable depreciation; or
 - stated amount shown in the Declarations, if applicable.
- However, the most **we** will pay for **loss** to any **non-owned auto** which is a **trailer** is \$500.
- B. 1. An adjustment for **depreciation** and physical condition will be made in determining **actual cash value** in the event of a total **loss**.
2. If a repair or replacement results in better than like kind or quality, **we** will not pay for the amount of the betterment.
- C. Further, if there is a stated amount **you** declared on the application or endorsement for a specific **auto** listed and shown in the Declarations, that stated amount will be the maximum Limit of Liability

applicable for **loss** to that **auto**, including its **customized equipment and parts**.

- D. In the repair of **your covered auto** or any **non-owned auto** under PART D of this policy, **we** may specify the use of mechanical, non-safety related automobile parts not made by the original manufacturer. These parts will be at least equal in terms of fit, quality, performance and warranty to the original manufacturer parts they replace.
- E. **Customized equipment and parts** - unless **you** pay a premium for Additional Customized Equipment and Parts Coverage, and it is shown in the Declarations or on the applicable schedule, the limit of liability for **loss** to **customized equipment and parts** is the lesser of:
- the **actual cash value** of such **customized equipment and parts**, reduced by the applicable deductible and its salvage value if **you** or the owner retain the salvage;
 - the amount necessary to repair or replace such **customized equipment and parts** with parts of like kind and quality, reduced by the applicable deductible; or
 - \$1000.

However, if the **actual cash value** of **your covered auto** without the **customized equipment and parts** is less than \$1000, the most **we** will pay is the **actual cash value** of **your covered auto** unless Additional Customized Equipment and Parts Coverage has been purchased.

- F. If **you** pay a premium for Additional Customized Equipment and Parts Coverage and it is shown on the Declaration or on the applicable schedule, the limit of liability for **loss** to the **customized equipment and parts** specifically listed on the application or in the applicable schedule or document will be the lesser of:
- The actual cash value of the stolen or damaged customized equipment and parts;
 - The amount shown as the declared value of the customized equipment and parts in the application or applicable schedule; or
 - The amount necessary to repair, or at our option, replace the property with other like kind and quality customized equipment and parts, with deduction for depreciation.
- G. **Our** liability for the cost of repairing **your covered auto**, any **non-owned auto** or **customized equipment and parts** is limited to the amount needed to perform physical repairs to the stolen or damaged property. PART D of **your** policy - Coverage for Damage to **Your** Auto - does not cover, and **we** will not pay for, **diminution in value**.

- H. **Our** payment for **loss** will be reduced by any applicable deductible shown in the Declarations for **Collision** and/or **Other Than Collision** and/or Additional Customized Equipment and Parts Coverage, if selected.

PAYMENT OF LOSS

We may pay for the **loss** in money or repair or replace the damaged or stolen property. **We** may, at **our** expense, return any stolen property to:

1. **You**; or
2. The address shown on the Declarations Page of this policy.

If **we** return stolen property, **we** will pay for any direct physical damage to **your covered auto** or any **non-owned auto** or its equipment resulting from the theft, subject to the provisions of the LIMIT OF LIABILITY section. **We** may keep all or part of the property at an agreed or appraised value. **You** do not have the right to abandon salvage to **us**.

When **we** make payment of any amounts due under PART D to **you** or the loss payee, as interests may appear, or to anyone on **your** behalf, **we** may deduct from the payment any premium or fees that are due and unpaid under the policy.

NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

If other insurance also covers the **loss**, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. Any applicable deductible of this policy will be taken in a proportionate share based on the applicable deductibles of each policy. However, any insurance **we** provide with respect to a **non-owned auto** shall be excess over any other collectible source of recovery including, but not limited to:

1. any coverage provided by the owner of the **non-owned auto**;
2. any other applicable physical damage insurance; or
3. any other source of recovery applicable to the **loss**.

APPRAISAL

- A. If **we** and **you** do not agree on the amount of **loss**, either may demand an appraisal of the **loss**. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the **actual cash value** and the amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
1. pay its chosen appraiser; and

2. bear the expenses of the appraisal and umpire equally.

- B. **We** do not waive any of **our** rights under this policy by agreeing to an appraisal.

PART E - DUTIES AFTER AN ACCIDENT OR LOSS - FILING A CLAIM

GENERAL DUTIES

- A. **We** must be notified promptly of how, when and where the **accident** or **loss** happened. Notice should also include the names and addresses of any injured persons and of any witnesses. Failure to give notice as required herein may affect coverage provided under this policy. Failure to comply with any of the duties under this PART E may result in denial of coverage and relieve **us** of all duties to investigate, settle, defend, pay any judgment or otherwise honor any claims made against an **insured**.
- B. A person seeking coverage must:
1. Cooperate with **us** in the investigation, settlement or defense of any claim or lawsuit.
 2. Promptly send **us** copies of any notices or legal papers received in connection with the **accident** or **loss**.
 3. Submit as often as **we** require:
 - a. to mental and physical exams by physicians or psychologists **we** select. **We** will pay for these exams.
 - b. to examinations under oath outside the presence of any person other than **your** attorney.
 - c. to recorded statements.
 4. Authorize **us** to obtain:
 - a. medical reports; and
 - b. other pertinent records, including but not limited to copies of wage and income tax records.
 5. Submit a sworn statement as proof of **loss** as **we** require.
 6. Provide **us** with records and documents **we** request and permit **us** to make copies.
 7. Not voluntarily assume any obligation to pay, make any payment or incur any expense, other than to provide first aid to others, for **bodily injury** or **property damage** arising out of an **accident**.

ADDITIONAL DUTIES FOR UNINSURED AND UNDERINSURED MOTORISTS COVERAGE

- A. A person seeking Uninsured or Underinsured Motorists Coverage must also in addition to the duties stated above:

1. Notify the police as soon as possible of any **accident**.
 2. Notify the police within 24 hours of an **accident** if a hit-and-run or unknown driver is involved.
 3. Serve a copy of any legal action and all pleadings on **us** as required by law.
 4. Allow **us** to inspect the **auto** occupied by the **insured** at the time of the **accident**.
- B. A person seeking Underinsured Motorists Coverage must also promptly:
1. Send **us** copies of the legal papers if a suit is brought; and
 2. Notify **us** in writing of a tentative settlement between the **insured** and the insurer of the **underinsured motor vehicle** and allow **us** 30 days to advance payment to that **insured** in an amount equal to the tentative settlement to preserve **our** rights against the insurer, owner, or operator of such **underinsured motor vehicle**.

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO

A person seeking Coverage For Damage To Your Auto must also in addition to the duties stated above:

1. Notify the police within 24 hours after discovery of the **loss**, if **your covered auto** or any **non-owned auto**, including their equipment is stolen or vandalized.
2. Take reasonable steps after **loss** to protect **your covered auto** or any **non-owned auto**, including their equipment from further **loss**. **We** will pay reasonable expenses incurred to do this.
3. Permit **us** to inspect and appraise the damaged property before its repair or disposal.

PART F - GENERAL PROVISIONS

ADDITIONAL DEFINITIONS USED IN THIS PART

“Mail”, “mailing” or “mailed” means:

1. Delivery by **us** to any of the following:
 - a. United States Postal Service;
 - b. Public or private mail carrier; or
2. Sent by **us** through electronic transmission, if not prohibited by state law.

BANKRUPTCY

Bankruptcy or insolvency of the **insured** shall not relieve **us** of any obligations under this policy.

CHANGES

- A. The premium for each of **your covered autos** is based on information **we** have received from **you** or other sources. **You** agree:

1. That if any of this information material to the development of the policy premium is incorrect, incomplete or changed, **we** may adjust the premium accordingly during the policy period.
2. To cooperate with **us** in determining if this information is correct and complete.
3. To advise **us** of any changes such as new drivers, residents of **your** household, garaging location of **your covered auto**, or the way **you** use **your covered auto**.

- B. Any adjustment of **your** premium will be made using **our** rules in effect at the time of the change. Premium adjustments may include, but are not limited to, changes in:
1. **Autos** insured by the policy, including changes in use;
 2. Drivers;
 3. Coverages or coverage limits;
 4. Place of principal garaging of insured vehicles;
 5. Eligibility for discounts or surcharges or other premium credits or debits; or
 6. Other factors permitted by law
- C. **We** may revise **your** policy coverages to provide more protection without additional premium charge. If **we** do this and **you** have the coverage which is changed, **your** policy will automatically provide the additional coverage as of the date the revision is effective in **your** state. This does not apply to changes made with a general program revision that includes both broadening and restrictions in coverage, whether that general program revision was made through introduction of a subsequent edition of **your** policy or an amendatory endorsement. Otherwise, this policy contains all of the coverage agreements between **you** and **us**. Its terms may not be changed or waived except by an endorsement issued by **us**.

LEGAL ACTION AGAINST US

- A. No legal action may be brought against **us** until there has been full compliance with all the terms of this policy. In addition, under PART A, no legal action may be brought against **us** unless:
1. **we** agree in writing that the **insured** has an obligation to pay; or
 2. the amount of that obligation has been finally determined by judgment after trial.
- B. No person or organization has any right under this policy to bring legal action against **us** or to make **us** a party to any legal proceeding to determine the liability of the **insured**.

OUR RIGHT TO RECOVER PAYMENT

- A. If **we** make a payment under this policy and the person to or for whom payment was made has a

right to recover damages from another, **we** shall be subrogated to that right. That person shall:

1. do whatever is necessary to enable **us** to exercise **our** rights; and
2. do nothing after an **accident** or **loss** to prejudice them; and
3. deliver to **us** any legal papers relating to that recovery.
4. take the necessary or appropriate action, through a representative designated by **us**, to recover payment as damages from the responsible person or organization. If there is a recovery, then **we** shall be reimbursed out of the recovery for expenses, costs and attorney's fees incurred in connection with this recovery.
5. execute and deliver to **us** any legal instruments or papers necessary to secure the rights and obligations of the **insured** and **us** as established here.

However, **our** rights under this paragraph A. do not apply under UNDERINSURED MOTORISTS COVERAGE AND COVERAGE FOR DAMAGE TO **YOUR** AUTO of this policy, against any person using **your covered auto**, as defined under that PART, with the express permission of the owner. **Our** rights also do not apply under paragraph A with respect to UNDERINSURED MOTORISTS COVERAGE if **we**:

1. Have been given prompt written notice of a tentative settlement between an **insured** and the insurer of an **underinsured motor vehicle**, and
 2. Fail to advance payment to the **insured** in an equal amount to the tentative settlement within 30 days after receipt of notification.
- B. If **we** make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
1. Hold in trust for **us** the proceeds of the recovery; and
 2. Reimburse **us** to the extent of **our** payment.

POLICY PERIOD AND TERRITORY

- A. This policy applies only to **auto accidents** or **losses** which occur:
1. During the policy period as shown in the Declarations; and
 2. Within the policy territory.
- B. The policy territory is:
1. The United States of America, its territories or possessions;
 2. Puerto Rico; or
 3. Canada.

This policy also applies to covered **auto accidents** or covered **losses** while the covered **auto** is being transported between their ports.

TERMINATION - CANCELLATION, NONRENEWAL, AUTOMATIC TERMINATION, OTHER TERMINATION PROVISIONS

- A. Cancellation. This policy may be cancelled during the policy period as follows:
1. The **named insured** shown in the Declarations may cancel by:
 - a. returning this policy to **us**; or
 - b. giving **us** advance written notice of the date cancellation is to take effect.
 2. **We** may cancel this policy for any reason within the first 59 days of the original policy period on the Declarations Page. After this policy has been in effect for 60 days or more, or if this is a renewal or continuation policy, **we** may cancel only for one of the following reasons:
 - a. **you** do not pay the required premium for this policy when due. The date of cancellation will be at least 15 days after the date of **mailing** of the cancellation notice;
 - b. **you** concealed a material factor, made a material allegation contrary to fact, or made a misrepresentation of a material fact which, if known to **us**, would have caused **us** not to issue this policy. The date of cancellation will be at least 60 days after the date of **mailing** a notice of cancellation;
 - c. **loss** of driving privileges through suspension or revocation of the driver's license or motor vehicle registration of the insured name on the **Declaration Page**. The date of cancellation will be at least 15 days after the **mailing** of the notice of cancellation.
- B. Nonrenewal. If **we** decide not to renew or continue this policy, **we** will **mail** notice to the **named insured** shown in the Declarations at the address shown in this policy. If non-renewal is due to non-payment of premium or loss of driving privileges through suspension or revocation of the driver's license or motor vehicle registration issued to the **named insured**, notice will be **mailed** at least 15 days before the end of the policy period. If non-renewal is due to any other reason, notice will be **mailed** at least 60 days before the end of the policy period.
- C. Automatic Termination. If **we** offer to renew or continue **your** policy and **you** or **your** representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that **you** have not accepted **our** offer.

D. Dishonored / Insufficient Checks, Credit Cards, Draft or other Remittance. If **you** pay **your** initial premium for any new policy or any subsequent renewal by check, credit card, draft, or any remittance other than cash, the coverage offered by this Policy is conditioned on the remittance being honored upon presentment for payment. If the check, credit card, draft or other remittance is not honored, then **we** shall be deemed not to have accepted the payment and this policy, if allowed by law, shall be void from inception for a new policy and shall terminate on the renewal date if it is a renewal policy.

E. Other Termination Provisions.

1. If the law in effect at the time this policy is issued, renewed or continued:
 - a. Requires a longer notice period;
 - b. Requires a special form of or procedure for giving notice; or
 - c. Modifies any of the stated termination reasons;**we** will comply with those requirements.
2. If not prohibited by state law, **we** may deliver any notice instead of **mailing** it.
3. Proof of **mailing** of any notice shall be sufficient proof of notice.
4. If this policy is cancelled, **you** may be entitled to a premium refund. If so, **we** will send **you** the refund. However, **we** may retain a cancellation fee if this policy is cancelled at **your** request or if cancellation is for nonpayment of premium. The premium refund, if any, will be computed according to **our** manuals. Making or offering to make the refund is not a condition of cancellation.
5. The effective date of cancellation stated in the notice shall terminate all coverages under this policy.

TRANSFER OF YOUR INTEREST IN THIS POLICY

Your rights and duties under this policy may not be assigned without **our** written consent. However, upon the death of the **named insured** shown in the Declarations, coverage will be provided until the end of the policy period or cancellation date, whichever is earlier, for:

1. The surviving spouse, if a resident in the same household at the time of death. Coverage applies to the spouse as if a **named insured** shown in the Declarations.
2. The legal representative of the deceased person while acting within the scope of duties of a legal representative. This applies only with respect to the representative's legal responsibility to maintain or use **your covered auto**.

MISREPRESENTATION AND FRAUD

- A. The statements made by **you** in the application are deemed to be representations. If any representation contained in the application is false, misleading or materially affects the acceptance or rating of this risk by **us**, by: direct misrepresentation; omission; concealment of facts; or incorrect statements; the coverage provided under this policy may be affected.
- B. If any representation contained in any notification of change is false, misleading or materially affects the acceptance or rating of this risk by **us**, by: direct misrepresentation; omission; concealment of facts; or incorrect statements; the coverage provided under this policy may be affected.
- C. **We** do not provide coverage for **you**, a **family member**, or any **insured** who has made fraudulent statements or engaged in fraudulent conduct in connection with any **accident** or **loss** for which coverage is sought under this policy.

UNPAID PREMIUM AND FEES

When we make payment to you or the loss payee, as interests may appear, or to anyone on your behalf for any first party claim made by you under this policy, we may deduct from the payment any premium or fees that are due and unpaid under the policy.

TWO OR MORE AUTO POLICIES

With respect to any **accident** to which this and any other **auto** policy issued to **you** by **us** applies, the total limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

This condition does not apply to the following Coverage:

1. Stacked Uninsured Motorist (**Bodily Injury**); or
2. Stacked Underinsured Motorist (**Bodily Injury**).

CONFORMITY TO STATE STATUTES

The coverages provided in this policy pertaining to Liability, First Party Benefits and Uninsured and Underinsured Motorists coverages are intended to be in full conformity with the Pennsylvania law applying to such coverages. If any provision of such coverages conflicts with such law, such provision is changed to comply with such law.

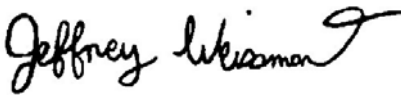
PARTICIPATION CLAUSE

Having the power and authority to permit policyholders to participate in the profits of the operations, the Board of Directors of the Company, within its discretion and in accordance with the provisions of law, may from time to time make determinations concerning payment of such distributions. When distributions are payable, the Board may make reasonable classifications of policies for such distribution, as well as the conditions governing payment.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the Declarations Page by a duly authorized agent of the Company.

A handwritten signature in black ink, appearing to read "Barry S. Karfunkel". The signature is stylized with a large, sweeping flourish at the end.

Barry S. Karfunkel
President

A handwritten signature in black ink, appearing to read "Jeffrey Weissmann". The signature is written in a cursive style.

Jeffrey Weissmann
Secretary