

Texas Commercial Auto Policy

NATIONAL
GENERAL[®]
an **Allstate**[®] company

10954NG (01012022)

PO Box 3199, 450 W. Hanes Mill Rd Ste 101
Winston-Salem, NC 27102-3199

Integon Casualty Insurance Company
Integon Indemnity Corporation
Integon Preferred Insurance Company
National General Insurance Company Online, Inc.
National General Insurance Company

Integon General Insurance Corporation
Integon National Insurance Company
New South Insurance Company
MIC General Insurance Corporation
National General Assurance Company

10465 (01012011)

TEXAS COMMERCIAL AUTO POLICY

NATIONAL GENERAL
an **Allstate** company

Integon National Insurance Company
PO Box 3199, 450 W. Hanes Mill Rd Ste 101, Winston-Salem, NC 27102-3199
TELEPHONE: 877-468-3466

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YOUR TEXAS COMMERCIAL AUTO POLICY - QUICK REFERENCE

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THESE POLICY PROVISIONS WITH THE DECLARATIONS PAGE,
YOUR APPLICATION, AND ENDORSEMENTS, IF ANY,
ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY

Where you can get information or make a complaint

If you have a question or a problem with a claim or your premium, contact your insurance company first. You can also get information or file a complaint with the Texas Department of Insurance.

National General Insurance

To get information or file a complaint with your insurance company:

Call: Customer Relations at

Toll-free: 1-800-847-6442

Email: CustRelations@ngic.com

Mail:

PO Box 3199, 450 W. Hanes Mill Rd Ste 101

Winston-Salem, NC 27102-3199

Attn: Customer Relations

The Texas Department of Insurance

To get help with an insurance question, learn about your rights, or file a complaint with the state:

Call: 1-800-252-3439

Online: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

To compare policies and prices

Visit HelpInsure.com to compare prices and coverages on home and auto insurance policies. The website is a service of the Texas Department of Insurance and the Office of Public Insurance Counsel.

Donde puede obtener información o presentar una queja

Si tiene una pregunta o un problema con una reclamación o con su prima de seguro, comuníquese primero con su compañía de seguros. Usted también puede obtener información o presentar una queja ante el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés).

National General Insurance

Para obtener información o para presentar una queja ante su compañía de seguros:

Llame a: Customer Relations al

Teléfono gratuito: 1-800-847-6442

Correo electrónico: CustRelations@ngic.com

Dirección postal:

PO Box 3199, 450 W. Hanes Mill Rd Ste 101

Winston-Salem, NC 27102-3199

Attn: Customer Relations

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros, para conocer sus derechos o para presentar una queja ante el estado:

Llame: 1-800-252-3439

En línea: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

Para comparar pólizas y precios

Visite HelpInsure.com para comparar precios y coberturas en pólizas de seguro para el hogar y automóvil. El sitio web es un servicio del Departamento de Seguros de Texas y de la Oficina del Asesor Público de Seguros (Office of Public Insurance Counsel, por su nombre en inglés)

Motor Vehicle Insurance Damage Claim Coverage, Settlement, and Disclosure (Administrative Code Section 5.501)

NOTICE BY LAW, YOU HAVE THE RIGHT TO SELECT WHERE YOUR MOTOR VEHICLE IS REPAIRED. HOWEVER, INTEGON NATIONAL INSURANCE COMPANY IS NOT REQUIRED TO PAY MORE THAN A REASONABLE CHARGE FOR THE REPAIRS PERFORMED. IN OTHER WORDS, INTEGON NATIONAL INSURANCE COMPANY IS NOT REQUIRED TO PAY THE COST FOR COVERED REPAIRS THAT IS GREATER THAN THE REASONABLE CHARGE. YOU MAY BE REQUIRED TO PAY THE DIFFERENCE. AT YOUR REQUEST WE WILL EXPLAIN TO YOU IN WRITING HOW WE DECIDE A REASONABLE CHARGE FOR THIS REPAIR. IF YOU FILE A CLAIM AND SO REQUEST, WE ALSO WILL TELL YOU HOW MUCH WE WILL PAY FOR A COVERED REPAIR PERFORMED BY A REPAIR SHOP YOU CHOOSE.

COMMERCIAL AUTO COVERAGE FORM - TE 0001 (01011999)

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Words and phrases that appear in bold face have special meaning. Refer to SECTION V - DEFINITIONS.

SECTION I - COVERED AUTOS

ITEM TWO of the Declarations shows the **autos** that are covered **autos** for each of your coverages. The following numerical symbols describe the **autos** that may be covered **autos**. The symbols entered next to a coverage on the Declarations designate the only **autos** that are covered **autos**.

A. Description of Covered Autos Designation Symbols

SYMBOL DESCRIPTION

- 1 = ANY **AUTO**
- 2 = OWNED **AUTOS** ONLY. Only those **autos** you own (and for Liability Coverage any **trailers** you don't own while attached to power units you own). This includes those **autos** you acquire ownership of after the policy begins.
- 3 = OWNED PRIVATE PASSENGER **AUTOS** ONLY. Only the private passenger **autos** you own. This includes those private passenger **autos** you acquire ownership of after the policy begins.
- 4 = OWNED **AUTOS** OTHER THAN PRIVATE PASSENGER **AUTOS** ONLY. Only those **autos** you own that are not of the private passenger type (and for Liability Coverage any **trailers** you don't own while attached to power units you own). This includes those **autos** not of the private passenger type you acquire ownership of after the policy begins.
- 5 = OWNED **AUTOS** SUBJECT TO NO-FAULT. Only those **autos** you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those **autos** you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
- 6 = OWNED **AUTOS** SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those **autos** you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those **autos** you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
- 7 = SPECIFICALLY DESCRIBED **AUTOS**. Only those **autos** described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any **trailers** you don't own while attached to any power unit described in ITEM THREE).
- 8 = HIRED **AUTOS** ONLY. Only those **autos** you lease, hire, rent or borrow. This does not include any **auto** you lease, hire, rent or borrow from any of your employees or partners or members of their households.

- 9 = NONOWNED **AUTOS** ONLY. Only those **autos** you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes **autos** owned by your employees or partners or members of their households but only while used in your business or your personal affairs.

B. Owned Autos You Acquire After the Policy Begins

1. If symbols 1, 2, 3, 4, 5 or 6 are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for **autos** that you acquire of the type described for the remainder of the policy period.
2. But, if symbol 7 is entered next to a coverage in ITEM TWO of the Declarations, an **auto** you acquire will be a covered **auto** for that coverage only if:
 - a. We already cover all **autos** that you own for that coverage or it replaces an **auto** you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment and Temporary Substitute Autos

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered **autos** for Liability Coverage without specific description:

1. **Trailers** with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. **Trailers** designed for use with and being pulled by a private passenger **auto**, pickup or van if the **trailer** is not customarily used for business purposes with another type **auto**.
3. **Mobile equipment** while being carried or towed by a covered **auto**.
4. Any **auto** you do not own while used with the permission of its owner as a temporary substitute for a covered **auto** you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. **Loss**; or
 - e. Destruction.

SECTION II - LIABILITY COVERAGE

A. Coverage

We will pay all sums an **insured** legally must pay as damages because of **bodily injury** or **property damage** to which this insurance applies, caused by an **accident** and resulting from the ownership; maintenance or use of a covered **auto**.

We have the right and duty to defend any **suit** asking for these damages. However, we have no duty to defend **suits** for **bodily injury** or **property damage** not covered by this Coverage Form. We may investigate and settle any claim or **suit** as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. WHO IS AN INSURED

The following are **insureds**:

- a. You for any covered **auto**.

- b. Anyone else while using with your permission a covered **auto** you own, hire or borrow except:
 - (1) The owner of a covered **auto** you hire or borrow from one of your employees or a member of his or her household.
 - (2) Someone using a covered **auto** while he or she is working in a business of selling, servicing, repairing or parking **autos** unless that business is yours.
 - (3) Anyone other than your employees, partners, a lessee or borrower or any of their employees, while moving property to or from a covered **auto**.
 - (4) A partner of yours for a covered **auto** owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of an **insured** described above but only to the extent of that liability. However, the owner or anyone else from whom you hire or borrow a covered **auto** is an **insured** only if that **auto** is a **trailer** connected to a covered **auto** you own.

2. COVERAGE EXTENSIONS

- a. Supplementary Payments. In addition to the Limit of Insurance, we will pay for the **insured**:
 - (1) All expenses we incur.
 - (2) Up to \$250 for cost of bail bonds (including bonds for related traffic law violations) required because of an **accident** we cover. We do not have to furnish these bonds.
 - (3) The cost of bonds to release attachments in any **suit** we defend, but only for bond amounts within our Limit of Insurance.
 - (4) All reasonable expenses incurred by the **insured** at our request, including actual loss of earnings up to \$100 a day because of time off from work.
 - (5) All costs taxed against the **insured** in any **suit** we defend.
 - (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any **suit** we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.
- b. Out of State Coverage Extensions.
While a covered **auto** is away from the state where it is licensed we will:
 - (1) Increase the Limit of Insurance for Liability Coverage to meet the limit or limits specified by a compulsory or financial responsibility law in the jurisdiction where the covered **auto** is being used.
 - (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out of state vehicles by the jurisdiction where the covered **auto** is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. **EXPECTED OR INTENDED INJURY**
Bodily injury or **property damage** expected or intended from the standpoint of the **insured**.
2. **CONTRACTUAL**
Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:
 - a. Assumed in a contract or agreement that is an **insured contract**; or
 - b. That the **insured** would have in the absence of the contract or agreement.
3. **WORKERS COMPENSATION**
Any obligation for which the **insured** or the **insured's** insurer may be held liable under any workers compensation, disability benefits or unemployment compensation law or any similar law.
4. **EMPLOYEE INDEMNIFICATION AND EMPLOYER'S LIABILITY**
Bodily injury to:
 - a. An employee of the **insured** arising out of and in the course of employment by the **insured**; or
 - b. The spouse, child, parent, brother or sister of that employee as a consequence of paragraph a. above.
 This exclusion applies:
 - (1) Whether the **insured** may be liable as an employer or in any other capacity; and
 - (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
 But this exclusion does not apply to **bodily injury** to domestic employees not entitled to workers' compensation benefits or to liability assumed by the **insured** under an **insured contract**.
5. **FELLOW EMPLOYEE**
Bodily injury to any fellow employee of the **insured** arising out of and in the course of the fellow employee's employment.
6. **CARE, CUSTODY OR CONTROL**
Property damage to property owned or transported by the **insured** or in the **insured's** care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.
7. **HANDLING OF PROPERTY**
Bodily injury or **property damage** resulting from the handling of property:
 - a. Before it is moved from the place where it is accepted by the **insured** for movement into or onto the covered **auto**; or

- b. After it is moved from the covered **auto** to the place where it is finally delivered by the **insured**.

8. MOVEMENT OF PROPERTY BY MECHANICAL DEVICE

Bodily injury or **property damage** resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered **auto**.

9. OPERATIONS

Bodily injury or **property damage** arising out of the operation of any equipment listed in paragraph 6.b. and 6.c. of the definition of **mobile equipment**.

10. COMPLETED OPERATIONS

Bodily injury or **property damage** arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or sub-contractor working on the same project.
Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. POLLUTION

- a. **Bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

- (1) That are, or that are contained in any property that is:
 - (a) Being transported or towed by, or handled for movement into, onto or from, the covered **auto**;
 - (b) Otherwise in the course of transit; or
 - (c) Being stored, disposed of, treated or processed in or upon the covered **auto**;
- (2) Before the pollutants or any property in which the pollutants are contained are moved from the place where they are accepted by the **insured** for movement into or onto the covered **auto**; or
- (3) After the pollutants or any property in which the pollutants are contained are moved from the

covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **insured**.

Paragraph a.(1)(c) does not apply to fuels, lubricants, fluids, exhaust gases or other similar pollutants that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts, if:

- (1) The pollutants escape or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such pollutants; and
- (2) The **bodily injury** or **property damage** does not arise out of the operation of any equipment listed in paragraphs 6.b. and 6.c. of the definition of **mobile equipment**.

Paragraphs a.(2) and a.(3) of this exclusion do not apply if:

- (1) The pollutants or any property in which the pollutants are contained are upset, overturned or damaged as a result of the maintenance or use of a covered **auto**; and
 - (2) The discharge, dispersal, release or escape of the pollutants is caused directly by such upset, overturn or damage.
- b. Any loss, cost or expense arising out of any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritants or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

12. WAR

Bodily injury or **property damage** due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

C. Limit of Insurance

If separate limits of insurance for **bodily injury** and **property damage** liability are shown in the Schedule or in the Declarations for this coverage regardless of the number of covered **autos**, **insureds**, premiums paid, claims made or vehicles involved in the **accident**, the limit of insurance is as follows:

- 1. The most **we** will pay for all **damages** resulting from **bodily injury** to any one person caused by any one **accident** is the limit of Bodily Injury Liability shown in the Schedule or in the Declarations for each person.
- 2. Subject to the limit for each person, the most we will pay for all damages resulting from **bodily injury** caused by any one **accident** is the limit of Bodily Injury Liability shown in the Schedule or in the Declarations for each **accident**.

3. The most we will pay for all damages resulting from **property damage** caused by any one **accident** is the limit of Property Damage Liability shown in the Schedule or in the Declarations.

If the limit of insurance shown in the Schedule or in the Declarations for this coverage is for combined **bodily injury** and **property damage** liability regardless of the number of covered **autos, insureds**, premiums paid, claims made or vehicles involved in the **accident**, the most we will pay for all damages resulting from any one **accident** is the Limit of Insurance for Liability Coverage shown in the Schedule or in the Declarations.

All **bodily injury** and **property damage** resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one **accident**.

SECTION III - PHYSICAL DAMAGE

A. Coverage

1. We will pay for **loss** to a covered **auto** or its equipment under:
 - a. Comprehensive Coverage. From any cause except:
 - (1) The covered **auto's** collision with another object; or
 - (2) The covered **auto's** overturn.
 - b. Specified Causes of Loss Coverage. Caused by:
 - (1) Fire, lightning or explosion;
 - (2) Theft;
 - (3) Windstorm, hail or earthquake;
 - (4) Flood;
 - (5) Mischief or vandalism; or
 - (6) The sinking, burning, collision or derailment of any conveyance transporting the covered **auto**.
 - c. Collision Coverage. Caused by:
 - (1) The covered **auto's** collision with another object; or
 - (2) The covered **auto's** overturn.
2. Towing.

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered **auto** of the private passenger type is disabled. However, the labor must be performed at the place of disablement.
3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles.

We will pay for glass breakage, **loss** caused by hitting a bird or animal or by falling objects or missiles under Comprehensive Coverage if you carry Comprehensive Coverage for the damaged covered **auto**. However, you have the option of having glass breakage, caused by a covered **auto's** collision or overturn or if **loss** is caused by contact with a bird or animal, considered a **loss** caused by collision.

4. Coverage Extension. We will also pay up to \$20 per day to a maximum of \$600 for transportation expense incurred by you because of the total theft of a covered **auto** of the private passenger type. We will pay only for those covered **autos** for which you carry either Comprehensive or Specified Causes of Loss Coverage or Theft Coverage.

We will pay for transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered **auto** is returned to use or we pay for its **loss**.

B. Exclusions

1. We will not pay for **loss** caused by or resulting from any of the following. Such **loss** is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the **loss**.
 - a. Nuclear Hazard.
 - (1) The explosion of any weapon employing atomic fission or fusion; or
 - (2) Nuclear reaction or radiation, or radioactive contamination, however caused.
 - b. War or Military Action.
 - (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
2. **Other Exclusions.**
 - a. We will not pay for **loss** to any of the following:
 - (1) Stereos, radios, tape decks or other sound reproducing equipment unless permanently installed in a covered **auto**.
 - (2) Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
 - (3) Sound receiving equipment designed for use as a citizen's band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the **auto** manufacturer for the installment of a radio.
 - (4) **Loss** to any custom furnishings or equipment in or upon any pickup, van or motorhome.

Custom furnishings or equipment include but are not limited to:

 - (i) special carpeting and insulation, furniture, bars or television receivers;
 - (ii) facilities for cooking and sleeping;
 - (iii) height-extending roofs; or
 - (iv) custom murals, paintings or other decals or graphics.

This exclusion does not apply if the value of the custom furnishings or equipment has been reported to us prior to a **loss** and included in the premium for this coverage.
 - (5) When in or upon any motorhome or **trailer, loss** to:

- (i) TV antennas;
- (ii) awnings or cabanas; or
- (iii) equipment designed to create additional living facilities.

(6) **Loss** to any device or instrument used for detection of radar or other speed measuring equipment.

(7) **Loss** due to or as a consequence of a seizure of a covered **auto** by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

b. We will not pay for **loss** caused by or resulting from any of the following unless caused by other **loss** that is covered by this insurance:

- (1) Wear and tear, freezing, mechanical or electrical breakdown.
- (2) Blowouts, punctures or other road damage to tires.

Limit of Insurance

The most we will pay for **loss** in any one **accident** is the smallest of the following amounts:

- 1. The amount stated in the declarations of the policy.
- 2. The actual cash value of the damaged or stolen property at the time of the **loss**.
- 3. The cost of repairing or replacing the damaged or stolen property with other of like kind and quality.

However, the most we will pay for stereos, radios, tape decks or other sound reproducing equipment (excluding citizens band radio, two-way mobile radio or telephone or scanning monitor receiver) is \$1500.

Deductible

For each covered **auto**, our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations.

At the mutual agreement of you and us, we will not apply the applicable deductible for a glass loss if the glass is repaired rather than replaced.

SECTION IV - COMMERCIAL AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. APPRAISAL FOR PHYSICAL DAMAGE LOSS

If you and we disagree 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 a competent and impartial umpire. The appraisers will state separately the actual cash value and 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:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire quality.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

a. In the event of **accident**, claim, **suit** or **loss**, you must give us or our authorized representative prompt notice of the **accident** or **loss**. Include:

- (1) How, when and where the **accident** or **loss** occurred;
- (2) The **insured's** name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

If we show that Your failure to provide notice prejudices our defense, there is no liability coverage under the policy.

b. Additionally, you and any other involved **insured** must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the **insured's** own cost.
- (2) Immediately send us copies of any demand, notice, summons or legal paper received concerning the claim or **suit**.
- (3) Cooperate with us in the investigation, settlement or defense of the claim or **suit**.
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is **loss** to a covered **auto** or its equipment you must also do the following:

- (1) Promptly notify the police if the covered **auto** or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered **auto** from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered **auto** and records proving the **loss** before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

d. Submit a sworn proof of **loss** when required by us.

e. Within 15 days after we receive your written notice of claim, we must:

- (1) acknowledgment of receipt of the claim.

If our acknowledgment of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgment.

- (2) begin any investigation of the claim.
- (3) specify the information you must provide in accordance with paragraph b. above.

We may request more information, if during the investigation of the claim such additional information is necessary.

- f. After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:

- (1) within 15 **business days**; or
- (2) within 30 days if we have reason to believe the loss resulted from arson.

- g. If we do not approve payment of your claim or require more time for processing your claim, we must:

- (1) give the reasons for denying your claim, or
- (2) give the reason we require more time to process your claim. But, we must either approve or deny your claim within 45 days after our requesting more time.

- h. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above are extended for an additional 15 days.

- i. Loss Payment

- (1) If we notify you that we will pay your claim, or part of your claim, we must pay within 5 **business days** after we notify you.
- (2) If payment of your claim or part of your claim requires the performance of an act by you, we must pay within 5 **business days** after the date you perform the act.

- j. Notice of Settlement of Liability Claim

- (1) We will notify you in writing of any initial offer to compromise or settle a claim against you under the liability section of this policy. We will give you notice within 10 days after the date the offer is made.
- (2) We will notify you in writing of any settlement of a claim against you under the liability of this policy. We will give you notice within 30 days after the date of the settlement.

3. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the **insured** has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the **insured's** liability.

4. LOSS PAYMENT - PHYSICAL DAMAGE COVERAGES

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the **auto** from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

5. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after **accident** or **loss** to impair them.

B. General Conditions

1. BANKRUPTCY

Bankruptcy or insolvency of the **insured** or the **insured's** estate will not relieve us of any obligations under this Coverage Form.

2. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Form is void in any case of fraud by you relating to it. It is also void if you intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered **auto**; or
- c. Your interest in the covered **auto**.

3. LIBERALIZATION

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. NO BENEFIT TO BAILEE - PHYSICAL DAMAGE COVERAGES

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. OTHER INSURANCE

- a. For any covered **auto** you own, this Coverage Form provides primary insurance. For any covered **auto** you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered **auto** which is a **trailer** is connected to another vehicle, the Liability Coverage this Coverage Form provides for the **trailer** is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered **auto** you own.

- b. Regardless of the provisions of paragraphs a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an **insured contract**.

- c. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. PREMIUM AUDIT

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Form, we cover **accidents** and **losses** occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

We also cover **loss** to, or **accidents** involving, a covered **auto** while being transported between any of these places.

8. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same **accident**, the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V - DEFINITIONS

- A. **Accident** includes continuous or repeated exposure to the same conditions resulting in **bodily injury** or **property damage**.
- B. **Auto** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads but does not include **mobile equipment**.
- C. **Bodily injury** means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. **Insured** means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each **insured** who is seeking coverage or against whom a claim or **suit** is brought.

E. **Insured contract** means:

1. A lease of premises;
2. A sidetrack agreement;
3. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
4. Any other easement agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
5. An indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
6. That part of any contract or agreement entered into, as part of your business, by you or any of your employees pertaining to the rental or lease of any **auto**; or
7. That part of any other contract or agreement pertaining to your business under which you assume the tort liability of another to pay damages because of **bodily injury** or **property damage** to a third person or organization, if the contract or agreement is made prior to the **bodily injury** or **property damage**. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An **insured contract** does not include that part of any contract or agreement:

- a. That pertains to the loan, lease or rental of an **auto** to you or any of your employees, if the **auto** is loaned, leased or rented with a driver; or
- b. That holds a person or organization engaged in the business of transporting property by **auto** for hire harmless for your use of a covered **auto** over a route or territory that person or organization is authorized to serve by public authority.

F. **Loss** means direct and accidental **loss** or damage.

G. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers.
5. Vehicles not described in paragraphs 1, 2, 3, or 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers.
6. Vehicles not described in paragraphs 1, 2, 3, or 4 above maintained primarily for purposes other than the

transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

- a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

- H. **Property damage** means damage to or **loss** of use of tangible property.
- I. **Suit** means a civil proceeding in which damages because of **bodily injury** or **property damages** to which this insurance applies are alleged. **Suit** includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.
- J. **Trailer** includes semitrailer.
- K. **Business day** means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

SPECIAL PROVISIONS

This Company is licensed to operate under Chapter 912 of the Texas Insurance Code and such statutes shall apply to form a part of this policy the same as if written or printed upon, attached or appended hereto.

This policy is issued subject to the constitution and by-laws and all amendments thereto of the Company, which shall form a part of this policy.

In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.



Peter Rendall
President



Christine M. DeBiase
Secretary

This Endorsement Applies Only If Form Number TE00 17 (01/94) Appears On The Declarations Page

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION OR NON-RENEWAL

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel or non-renew as follows:
 - a. Cancellation
 - (1) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, at least 10 days before the effective date of cancellation.
 - (2) If this is not a renewal or continuation policy, and if it has been in effect for 60 or fewer days, we may cancel for any reason.
 - (3) If this is a renewal or continuation policy, or if it has been in effect for more than 60 days in the initial policy period, we may cancel for one or more of the following reasons:
 - (a) Fraud in obtaining coverage;
 - (b) Failure to pay premiums when due;
 - (c) An increase in hazard within the control of the **insured** which would produce an increase in rate;
 - (d) Loss of our reinsurance covering all or part of the risk covered by the policy; or
 - (e) If we have been placed in supervision, conservatorship or receivership and the cancellation or nonrenewal is approved or directed by the supervisor, conservator or receiver.
 - b. Non-Renewal
 - (1) We may elect not to renew this policy by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of non-renewal, stating the reason for non-renewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro-rata based on the previous year's premium.
 - (2) If notice is mailed, proof of mailing will be sufficient proof of notice.

We may not cancel or non-renew based solely on the fact that you are an elected official.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund will be pro-rata, subject to the policy minimum premium. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**This Endorsement Applies Only If Form Number
IL 00 21 (03/92) Appears On The Declarations Page
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
BROAD FORM**

1. The insurance does not apply:
 - A. Under any Liability Coverage, to **bodily injury** or **property damage**:
 - (1) With respect to which an **insured** under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or any of their successors, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the **hazardous properties of nuclear material** and with respect to which
 - (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties of nuclear materials** and arising out of the operation of a **nuclear facility** by any person or organization.
 - C. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties of nuclear material**, if:
 - (1) The **nuclear material** (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an **insured** or (b) has been discharged or dispersed therefrom;
 - (2) The **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or
 - (3) The **bodily injury** or **property damage** arises out of the furnishings by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to **property damage** to such **nuclear facility** and any property thereat.
2. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties.

“Nuclear material”, “special nuclear material”, and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

“Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

“Waste” means any waste material (a) containing **by-product material** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and (b) resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**.

“Nuclear facility” means:

- (a) Any **nuclear reactor**;
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing or packaging **waste**;
- (c) Any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage of disposal of **waste**; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

“Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Property damage” includes all forms of radioactive contamination of property.

**This Endorsement Applies Only If Form Number
TE 2305 (03/92) Appears On The Declarations Page
TE 23 05. WRONG DELIVERY OF LIQUID PRODUCTS**

LIABILITY COVERAGE is changed by adding the following exclusion:

This insurance does not apply to:

Bodily injury or **property damage** resulting from the delivery of any liquid into the wrong receptacle or to the wrong address, or from the delivery of one liquid for another, if the **bodily injury** or **property damage** occurs after delivery has been completed.

Delivery is considered completed even if further service or maintenance work, or correction, repair or replacement is required because of wrong delivery.

**This Endorsement Applies Only If Form Number
TE 0409D (05/94) Appears On The Declarations Page
TE 04 09D. UNINSURED/UNDERINSURED MOTORISTS INSURANCE**

Designated Person

Description of Covered Autos

(Check appropriate box)

- Any **auto** owned by you.
- Any private passenger **auto** owned by you.
- Any **auto** to which are attached dealer’s license plates issued to you.
- Any **auto** designated in the declarations of the policy (by the letters “UM/UIM”) and an **auto** ownership of which is acquired during the policy period by you as a replacement therefore.

A. COVERAGE

We will pay damages which an **insured** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** because of **bodily injury** sustained by an **insured**, or **property damage** caused by an **accident**. The owner’s or operator’s liability for these damages must arise out of the ownership, maintenance, or use of the **uninsured motor vehicle**.

Any judgement for damages arising out of a **suit** brought without our written consent is not binding on us. If we and you do not agree as to whether or not a vehicle is actually uninsured, the burden of proof as to that issue shall be on us.

B. EXCLUSIONS

1. We do not provide Uninsured/Underinsured Motorists Insurance for any person:
 - a. For **bodily injury** sustained while **occupying**, or when struck by any motor vehicle or a **trailer** of any type owned by you, a **designated person** or a **family member** of either which is not insured for this coverage under this policy.
 - b. If that person or the legal representative settles the claim without our consent.
 - c. For the first \$250 of the amount of damage to the property of that person as the result of any one **accident**.
 - d. Using a vehicle without a reasonable belief that the person is entitled to do so. This exclusion does not apply to you, any **designated person** or a **family member** of either while using a **covered auto**.
 - e. For **bodily injury** or **property damage** resulting from the intentional acts of that person.
2. This coverage shall not apply directly or indirectly to benefit:
 - a. any insurer or self-insurer under any workers’ compensation, disability benefits or similar law;
 - b. any insurer or property.

C. WHO IS AN INSURED

1. You and any **designated person** and any **family member** of either you or a **designated person**.
2. Any other person **occupying** a **covered auto**.

3. Any person or organization for damages that person or organization is entitled to recover because of **bodily injury** sustained by a person described in 1. or 2. above.

D. LIMIT OF INSURANCE

When separate Limits of Insurance for **bodily injury** and **property damage** liability are shown in the Declarations or in the Schedule for this coverage the Limits of Insurance for each person for **bodily injury** liability is our maximum Limit of Insurance for all damages for **bodily injury** sustained by any one person in any one **auto accident**. Subject to this limit for each person, the Limit of Insurance indicated for each **"accident"** for **bodily injury** liability is our maximum Limit of Insurance for all damages for **bodily injury** resulting from any one **accident**. The Limit of Insurance indicated for each **"accident"** for **property damage** liability is our maximum Limit of Insurance for all damages to all property resulting from any one **auto accident**.

If the applicable Limit of Insurance shown either in the Schedule or in the Declarations for the coverage is for combined liability, it is our maximum Limit of Insurance for all damages resulting from any one **accident**.

This is the most we will pay regardless of the number of:

1. **insureds**;
2. claims made;
3. policies or bonds applicable;
4. **covered autos**;
5. vehicles involved.

Subject to this maximum, our limit of liability will be the lesser of:

1. The difference between the amount of a covered **insured's** damages for **bodily injury** or **property damage** and the amount paid or payable to that covered **insured** for such damages, by or on behalf of persons or organizations who may be legally responsible; and
2. The applicable limit of liability for this coverage.

In order to avoid insurance benefits payments in excess of actual damages sustained, subject only to the limits set out in the Schedule or in the Declarations and other applicable provisions of this coverage, we will pay all covered damages not paid or payable under any workers' compensation law, disability benefits law, any similar law, auto medical expense coverage or Personal Injury Protection Coverage.

Any payment under this coverage to or for an **insured** will reduce any amount that **insured** is entitled to recover for the same damages under the LIABILITY COVERAGE of this policy.

SPECIAL PROVISION FOR PROPERTY DAMAGE

Any **property damage loss** to which the PHYSICAL DAMAGE COVERAGE of this policy (or similar coverage from another policy) and this coverage both apply, you may choose the coverage from which damages will be paid. You may recover under both coverages, but only if:

1. neither one by itself is sufficient to cover the **loss**;
2. you pay the higher deductible amount (but you do not have to pay both deductibles); and
3. you will not recover more than the actual damages.

E. CONDITIONS

The CONDITIONS of the policy are changed for UNINSURED/UNDERINSURED MOTORISTS INSURANCE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. promptly notify the police if a hit-and-run driver is involved;
 - b. promptly send us copies of the legal papers if a **suit** is brought;
 - c. take reasonable steps after **loss** to protect the **covered auto** and its equipment from further **loss**. We will pay reasonable expenses incurred to do this; and
 - d. permit us to inspect and appraise the damaged property before its repair or disposal.
2. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is changed by adding the following: If we make any payment and the **insured** recovers from another party, the **insured** shall hold the proceeds in trust for us and reimburse us to the extent of our payment. However, we may not claim the amount covered from an insurer of any underinsured motor vehicle.
3. The reference in OTHER INSURANCE to "other collectible insurance" is replaced by the following:

If there is other applicable similar insurance we will pay only our share of the **loss**. Our share is the proportion that our Limit of Insurance bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible insurance.

F. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS Section and have special meaning for UNINSURED/UNDERINSURED MOTORIST INSURANCE:

1. **"Family member"** means a person related to you by blood, marriage, or adoption who is a resident of your household including a ward or foster child.
2. **"Designated person"** means an individual named in the schedule. By such designation, that person has the same coverage as you.
3. **"Occupying"** means in, upon, getting in, on, out or off.
4. **"Covered Auto"** means an **auto**:
 - a. owned or leased by you; or
 - b. while temporarily used as a substitute for an owned **covered auto** that has been withdrawn from normal use because of its breakdown, repair, servicing, **loss** or destruction.

Liability coverage of this policy must apply to the **covered auto**. **Covered auto** includes **autos** (described in a. and b. above) for which Uninsured/Underinsured Motorists Insurance has not been rejected in writing.

5. **"Property Damage"** means injury to or **loss** of use of or destruction of;
 - a. a **covered auto**;
 - b. property owned by you, a **designated person**, or any **family member** of either while contained in a **covered auto**;

- c. property owned by any other person **occupying** the **covered auto** while contained in the **covered auto**; or
 - d. any property owned by you, a **designated person** or **family member** or either while contained in any **auto** not owned, but being operated by you, a **designated person** or **any family member** of either.
6. **“Uninsured motor vehicle”** means a land motor vehicle or **trailer** of any type:
- a. To which no liability bond or policy applies at the time of the **accident**.
 - b. Which is a hit-and-run vehicle whose operator or owner cannot be identified. The vehicle must hit an **insured**, a **covered auto** or a vehicle an **insured** is **occupying**.
 - c. To which a liability bond or policy applies at the time of the **accident**, but the bonding or insuring company denies coverage or is or becomes insolvent.
 - d. Which is an underinsured motor vehicle. An underinsured motor vehicle is one to which a liability bond or policy applies at the time of the accident but its limit of liability either:
 - (1) is not enough to pay the full amount the covered **insured** is legally entitled to recover as damages; or
 - (2) has been reduced by payment of claims to an amount which is not enough to pay the full amount the covered **insured** is legally entitled to recover as damages.

However, **“uninsured motor vehicle”** does not include any vehicle or equipment,

- a. Owned or furnished or available for the regular use of you, a **designated person** or a **family member** of either.
- b. Owned or operated by a self-insurer under any applicable motor vehicle law.
- c. Owned by any governmental body unless the operator of the vehicle is uninsured and there is not statute imposing liability for damage because of **bodily injury** or **property damage** on the government body for an amount not less than the Limit of Insurance for this coverage.
- d. Operated on rails or crawler treads.
- e. Designed mainly for use off public roads while not on public roads.
- f. While located for use as a resident or premises.

**This Endorsement Applies Only If Form Number
TE 0401C (03/92) Appears On The Declarations Page
TE 04 01C. PERSONAL INJURY
PROTECTION ENDORSEMENT - TEXAS**

Description of Covered Autos

(Check appropriate box)

- Any **auto** owned by you.
- Any private passenger **auto** owned by you.
- Any motor vehicle to which are attached dealer’s license plates issued to you.
- Any motor vehicle designated in the Declarations of the policy by the letters P.I.P. and a motor vehicle ownership of which is acquired during the policy period by you as a replacement therefore.

A. COVERAGE

We will pay Personal Injury Protection benefits because of **bodily injury**:

- 1. resulting from a motor vehicle **accident**; and
- 2. sustained by a person **insured**.

Our payment will only be for **losses** or expenses incurred within three years from the date of **accident**.

Personal Injury Protection benefits consist of:

- 1. Necessary expenses for medical and funeral services.
- 2. Eighty percent of an **insured’s** loss of income from employment. These benefits apply only if, at the time of the **accident**, the **insured**:
 - a. was an income producer; and
 - b. was in an occupational status.

These benefits do not apply to any **loss** after the **insured** dies.

Loss of income is the difference between:

- a. income which would have been earned had the person **insured** not been injured; and
- b. the amount of income actually received from employment during the disability.

If the income being earned as of the date of **accident** is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the period (not more than 12 months) preceding the **accident** shall be used.

- 3. Reasonable expenses incurred for obtaining services. These services must replace those an **insured** would normally have performed:
 - a. without pay;
 - b. during a period of disability; and
 - c. for the care and maintenance of the family or household.

These benefits apply only if, at the time of the **accident**, the **insured**;

- a. was not an income producer; and
- b. was not in an occupational status.

These benefits do not apply to any **loss** after the **insured** dies.

B. EXCLUSIONS

We do not provide Personal Injury Protection Coverage for any person for **bodily injury** sustained:

- 1. In an **accident** caused intentionally by that person.
- 2. By that person while in the commission of a felony.
- 3. By that person while attempting to elude arrest by a law enforcement official.
- 4. While **occupying** or when struck by, any motor vehicle (other than a **covered auto**) which is owned by you.
- 5. By a **family member** while **occupying** or when struck by any motor vehicle (other than a **covered auto**) which is owned by a **family member**.

C. WHO IS AN INSURED

- 1. You or any **family member** while **occupying** or when struck by any **auto**.
- 2. Anyone else **occupying** a **covered auto** with your permission.

D. LIMIT OF INSURANCE

Regardless of the number of owned **covered autos, insureds,**

premiums paid, claims made or vehicles involved in the **accident**, the most we will pay for **bodily injury** for each **insured** in any one **accident** is the limit of Personal Injury Protection shown in this Schedule or in the Declarations.

E. CONDITIONS

The CONDITIONS of the policy are changed for Personal Injury Protection as follows:

1. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US does not apply.
2. The reference in OTHER INSURANCE to “other collectible insurance” is replaced by the following:
If there is other Personal Injury Protection Insurance, we will pay only our share. Our share is the proportion that our Limit of Insurance bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible Personal Injury Protection Insurance.

F. PAYMENT PROVISION

Loss Payments. Benefits are payable:

1. not more frequently than every two weeks; and
2. within 30 days after satisfactory proof of claim is received.

G. ASSIGNMENT OF BENEFITS

Payments for medical benefits will be paid directly to physician or other health care provider if we receive a written assignment signed by the covered person to whom such benefits are payable.

H. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS Section and have special meaning for Personal Injury Protection.

1. “**Family member**” means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. “**Occupying**” means in, upon, getting in, on, out or off.
3. “**Covered auto**” means an **auto**:
 - a. owned or leased by you; or
 - b. while temporarily used as a substitute for an owned **covered auto** that has been withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction.

Liability coverage of this policy must apply to the **covered auto**.

Covered auto includes **auto** (described in a. and b. above) for which Personal Injury Protection coverage has not been rejected in writing.

This Endorsement Applies Only If Form Number TE 9903B (03/92) Appears On The Declarations Page

TE 99 03B. AUTO MEDICAL PAYMENTS INSURANCE

A. COVERAGE

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an **insured** who sustains **bodily injury** caused by **accident**. We will pay only those expenses incurred within three years of the date of the **accident**.

B. EXCLUSIONS

This insurance does not apply to:

1. **Bodily injury** sustained by an **insured** while **occupying** a

vehicle located for use as a premises.

2. **Bodily injury** sustained by you or any **family member** while **occupying** or struck by any vehicle (other than a covered **auto**) owned by you or furnished or available for your regular use.
3. **Bodily injury** sustained by any **family member** while **occupying** or struck by any vehicle (other than a covered **auto**) owned by or furnished or available for the regular use of any **family member**.
4. **Bodily injury** to your employee arising out of and in the course of employment by you. However, we will cover **bodily injury** to your domestic employees if not entitled to workers’ compensation benefits.
5. **Bodily injury** to an **insured** while working in a business of selling, servicing, repairing or parking **autos** unless that business is yours.
6. **Bodily injury** caused by declared or undeclared war or insurrection or any of their consequences.
7. **Bodily injury** to anyone using a vehicle without a reasonable belief that the person is entitled to do so.

C. WHO IS AN INSURED

1. You or any **family member** while **occupying** or when struck by any **auto**.
2. Anyone else **occupying** a covered **auto** or a temporary substitute for a covered **auto**. The covered **auto** must be out of service because of its breakdown, repair, servicing, loss or destruction.

D. LIMIT OF INSURANCE

Regardless of the number of covered **autos, insureds**, claims made or vehicles involved in the **accident**, the most we will pay for **bodily injury** for each **insured** injured in any one **accident** is the limit of Auto Medical Payments shown in the Declarations.

E. CONDITIONS

The CONDITIONS of the policy are changed for AUTO MEDICAL PAYMENTS INSURANCE as follows:

The reference in OTHER INSURANCE to “other collectible insurance” applies only to other collectible Auto Medical Payments Insurance.

F. ASSIGNMENT OF BENEFITS

Payments for medical benefits will be paid directly to a physician or other health care provider if we receive a written assignment signed by the covered person to whom such benefits are payable.

G. ADDITIONAL DEFINITIONS

The following are added to the DEFINITION Section and have special meaning for AUTO MEDICAL PAYMENTS INSURANCE:

1. “**Family member**” means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. “**Occupying**” means in, upon, getting in, on, out or off.

This Endorsement Applies Only If Form Number
TE 9960A (03/92) Appears On The Declarations Page

TE 99 60A. SUPPLEMENTAL DEATH BENEFIT

A. COVERAGE

We will pay under the provisions of personal injury protection insurance, medical payment insurance and/or auto death indemnity insurance as afforded by this policy except as limited by this endorsement.

We will pay a supplementary death benefit equal to the limit shown for the coverages but not exceeding ten thousand (\$10,000) per person because of death.

1. Caused by an **auto accident**; and
2. Sustained by an **insured** while wearing a **seat belt** or protected by an **airbag**.

We will pay the benefit, if death from an **auto accident** occurs within three years of the date of such **accident**, except under auto death indemnity, death must occur within one year of the date of such **accident**.

B. PROOF OF CLAIM FOR DEATH BENEFIT

The **beneficiary** must furnish us with proof of death of the **insured**, accompanied by a police report or other suitable proof, that the **insured** at the time the **auto accident** occurred, was wearing a **seat belt** or protected by an **airbag**.

C. OTHER INSURANCE

Any amounts payable under the supplementary death benefit shall not be reduced by any other amounts paid or payable under this policy.

D. ADDITIONAL DEFINITIONS

The following are added to the DEFINITION Section and have special meaning for Supplementary Death Benefit.

1. **"Insured"** as used in this endorsement means the same persons who are covered under auto medical payments insurance, personal injury protection insurance, garage auto medical payments and/or auto death indemnity insurance.
2. **"Seat Belt"** means manual or automatic safety belts or seat and shoulder restraints or a child restraint device.
3. **"Airbag"** is a functioning airbag designed to protect the occupant of a seat in an **auto**.
4. **"Beneficiary"** means (in order of priority or payment):
 - a. the surviving spouse if a resident in the same household as the deceased at the time of the **accident**, or
 - b. if the deceased is an unmarried minor, either of the surviving parents who had legal custody at the time of the **accident**, or
 - c. the estate of the deceased.

This Endorsement Applies Only If Form Number
TE 9916 (03/92) Appears On The Declarations Page

TE 99 16. HIRED AUTOS SPECIFIED AS COVERED AUTOS YOU OWN

SCHEDULE

SEE DECLARATIONS

Description of Auto: _____

- _____
- _____
- A. Any **auto** described in the Schedule or in the Declarations will be considered a covered **auto** you own and not a covered **auto** you hire, borrow or lease under the coverage for which it is a covered **auto**.

B. CHANGES IN LIABILITY COVERAGE

The following is added to WHO IS AN INSURED:

While any covered **auto** described in the Schedule or in the Declarations is rented or leased to you and is being used by or for you, its owner or anyone else from whom you rent or lease it is an **insured** but only for that covered **auto**.

This Endorsement Applies Only If Form Number
TE 9986A (03/92) Appears On The Declarations Page

TE 99 86A. SPECIFIED NON-OWNED AUTO

SCHEDULE

Description of Auto: _____

It is agreed that the insurance applies to the **auto** described herein or designated in the policy as subject to this endorsement, subject to the following provision:

1. The insurance applies only to you, while the **auto** is not being used in your garage business.
2. The insurance does not apply
 - (a) to the owner of the **auto**, or
 - (b) while the **auto** is being used in the business of trucking for others.

This Endorsement Applies Only If Form Number
TE 9978A (03/92) Appears On The Declarations Page

TE 99 78A. LOSS PAYABLE CLAUSE

Loss or damage under PHYSICAL DAMAGE COVERAGE shall be paid as interest may appear to you and the loss payee shown in the Declarations or in this endorsement. This insurance covering the interest of the loss payee shall not become invalid because of your fraudulent acts or omissions, unless the **loss** results from your conversion, secretion or embezzlement of your covered **auto**. However, we reserve the right to cancel the policy as permitted by policy terms and the cancellation shall terminate this agreement as to the loss payee's interest. We will give the same advance notice of cancellation to the loss payee as we give to the named **insured** shown in the Declarations.

When we pay the loss payee we shall, to the extent of payment, be subrogated to the loss payee's rights of recovery.

This Endorsement Applies Only If Form Number
TE 9982B (11/97) Appears On The Declarations Page
TE 99 82B. FINANCIAL RESPONSIBILITY CERTIFICATION

(SR-22 Filing)

SCHEDULE

SEE DECLARATIONS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GARAGE COVERAGE FORM

TRUCKERS COVERAGE FORM

In consideration of the additional premium shown in the Schedule or in the Declarations:

A. We certify this policy as proof of financial responsibility as required by the Texas Motor Vehicle Safety Responsibility Act.

B. CONDITIONS

The following is added to CONDITIONS:

In the event this policy is cancelled or terminated, the company will give written notice to the Texas Department of Public Safety in accordance with the provisions of the Texas Motor Vehicle Safety-Responsibility Act prior to the date of such cancellation or termination.

This Endorsement Applies Only If Form Number
TE 2330C (2/96) Appears On The Declarations Page
**FORM F-1 - UNIFORM COMMERCIAL MOTOR VEHICLE
BODILY INJURY AND PROPERTY DAMAGE LIABILITY INSUR-
ANCE ENDORSEMENT**

(To comply with Texas Civil Statutes, Art. 6675c)

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GARAGE COVERAGE FORM

It is agreed that:

The certification of the policy, as proof of financial responsibility under the provisions of law or regulations promulgated by the Texas Department of Transportation amends the policy to provide insurance for **auto bodily injury** and **property damage** liability in accordance with the provisions of such law or regulations to the extent of the coverage and limits of liability certified, provided only that the **insured** agrees to reimburse the company for any payment made by the company which it would not have been obligated to make under the terms of this policy except by reason of the obligation assumed in making such certification.

This endorsement may not be canceled without cancellation of the policy to which it is attached. Such cancellation may be effected by the company or the insured giving thirty (30) days' notice in writing to the Texas Department of Transportation, such thirty (30) days' notice to commence to run from the date the notice is actually received in the office of such commission.

This Endorsement Applies Only If Form Number
TE 9917G (08/95) Appears On The Declarations Page
TE 99 17G. INDIVIDUAL NAMED INSURED

If you are an individual, the policy is changed as follows:

A. DEFINITIONS

1. The following words are changed for this endorsement:
The words YOU and YOUR include your spouse if a resident of the same household except for Notice of Cancellation.

2. ADDITIONAL DEFINITIONS

- a. **"Family member"** means a person who is a resident of your household and related to you by blood, marriage or adoption. This definition includes a ward or foster child who is a resident of your household, and also includes your spouse even when not a resident of your household during a period of separation in contemplation of divorce.
- b. A **"private passenger auto"** means a four wheel motor vehicle other than a truck type.
- c. **"Utility type auto"** means vehicles of the pickup body, sedan delivery, or van type with a G.V.W. of 10,000 lbs. or less and multi-use type vehicles not used for the delivery or transportation of goods, materials or supplies other than samples; unless, (1) the delivery of goods, materials or supplies is not the primary usage of the vehicle, or (2) used for farming or ranching.
- d. **"Miscellaneous type vehicles"** include golfmobiles, pickup trucks used solely to transport camper bodies, motorhomes, motorcycles, motorscooters, motorbikes, all terrain vehicles and similar motor vehicles not customarily used for business purposes, other than farming or ranching.

B. CHANGES IN LIABILITY COVERAGE

1. Exclusion B.5. does not apply to **bodily injury** to you or to any **family member's** fellow employees.

2. The following exclusions are added:

We do not provide Liability Coverage for you or any **family member** for **bodily injury** to you or any **family member**, except to the extent of the minimum limits of Liability Coverage required by Texas Civil Statutes, Article 6701h, entitled "Texas Motor Vehicle Safety-Responsibility Act."

We do not provide coverage for **loss** due to or as a consequence of a seizure of an auto by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the Federal Controlled Substances Act if you are convicted in such case.

3. PERSONAL AUTO COVERAGE

While any **auto** you own of the **private passenger, utility** or **miscellaneous type vehicle** is a covered **auto** under the LIABILITY COVERAGE:

a. The following is added to WHO IS AN INSURED:

Family members are **insureds** for any covered **auto** you own of the **private passenger, utility** or **miscellaneous type vehicle** and any other **auto** described in paragraph B.3.b. of this endorsement.

b. Any **auto** you don't own is a covered **auto** while being used by you or by any **family member** except:

(1) Any **auto** owned by or furnished or available for the

regular use of any **family members**, except while being used by you.

- (2) Any **auto** furnished or available for your regular use.
 - (3) Any **auto** used by you or by any of your **family members** while working in a business of selling, servicing, repairing, or parking **autos**.
 - (4) Any **auto** other than an **auto** of the **private passenger, utility or miscellaneous type vehicle** used by you or by any of your **family members** while working in any other business or occupation.
- c. The exclusion relating to pollutants, irritants and contaminants and, if forming a part of the policy, the NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM), does not apply to any covered **auto** of the **private passenger, utility or miscellaneous type vehicle**.
- d. Exclusion B.6. does not apply to **property damage** to any **private passenger, utility or miscellaneous type vehicle** covered **auto** you don't own while being used by you or by any **family member** except:
- (1) Any **auto** owned by or furnished or available for the regular use of any **family member**.
 - (2) Any **auto** furnished or available for your or any **family member's** regular use.
 - (3) Any **auto** which you or any **family member** uses while working in a business of selling, servicing, repairing or parking **autos**.
- e. Exclusion B.2. does not apply to you or any **family member** for the operation or occupancy of a **private passenger, utility or miscellaneous type vehicle** not owned or furnished or available for the regular use or any **family member**, except while the vehicle is rented or leased to another, or being used to carry persons or property for a fee. The exclusion also does not apply to your or any **family member's** operation or occupancy of any other auto if such operation or occupancy is not for business purposes.

C. CHANGES IN CONDITIONS

The following Condition is added:

DEATH OF THE INDIVIDUAL NAMED INSURED

If you die:

1. Your surviving spouse if a resident of the same household at the time of your death will continue as the named **insured** until the end of the policy.
2. Your legal representative will be the named **insured** but only while acting within the scope of his or her duties as such.

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is changed to include the following:

However, our rights in this paragraph do not apply under Physical Damage Coverage against any person using your owned **private passenger, utility or miscellaneous type vehicle** with a reasonable belief that that person is entitled to do so.

We may not claim the amount recovered by you or any **family member** from an insurer of any underinsured motor vehicle.

**This Endorsement Applies Only If Form Number
TE 9901B (03/92) Appears On The Declarations Page**

TE 99 01B. ADDITIONAL INSURED

The provisions and exclusions that apply to LIABILITY COVERAGE also apply to this endorsement.

SEE DECLARATIONS

(Name and Address of **Additional Insured**.)

is an **insured**, but only with respect to legal responsibility for acts or omissions of a person for whom Liability Coverage is afforded under this policy.

The **additional insured** is not required to pay for any premiums stated in the policy or earned from the policy. Any return premium and any dividend, if applicable, declared by us shall be paid to you.

You are authorized to act for the **additional insured** in all matters pertaining to this insurance.

We will mail the **additional insured** notice of any cancellation of this policy. If the cancellation is by us, we will give ten days notice to the **additional insured**.

The **additional insured will retain any right of recovery as a claimant under this policy**.