Tennessee
Commercial Automobile Policy



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Integon General Insurance Corporation

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TENNESSEE COMMERCIAL AUTO 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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AGREEMENT

A. This Policy is a legal contract between **you** and **us**. The Policy provisions, along with the **Declarations Page** and Application, which are incorporated into and made part of this Policy, and any endorsements issued, complete this Policy. If there is no written Application, then the statements made by **you** at the time of application become a part of this Policy.

B. This Policy is issued and renewed in reliance upon the truth and accuracy of the information **you** provide in the written or verbal Application for this insurance. The terms of this Policy impose obligations on all persons defined as **you** and on all persons or organizations seeking coverage under this Policy. **We** agree to provide insurance, subject to the terms, conditions and limitations set forth in this Policy, if **you** have paid, when due, all of the premiums for the coverages **you** have chosen. **We** will only insure **you** for the coverages and the Limits of Liability for which a premium is shown on the **Declarations Page** of the Policy.

C. If the initial payment to **us** is in any non-cash method, this insurance is conditioned on that initial payment being honored by **your** financial institution.

D. **You** have a continuing duty to notify **us** of any changes relating to **autos** or individuals covered under this Policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

The following words or phrases, when printed in bold-faced type, will have the following meaning throughout the Policy, whether in the singular, plural or possessive.

A. **"Accident"** and **"accidental"** mean a sudden, unexpected and unintended event or a continuous or repeated exposure to that event that causes **bodily injury** or **property damage**.

B. **"Actual cash value"** means the fair market value of the stolen or damaged property at the time of **loss**.

C. **"Additional auto"** means an **auto** that **you** acquire in addition to the **auto(s)** shown on the **Declarations Page**, if:

1. No other insurance applies to the acquired **auto**;
2. Within thirty (30) calendar days after **you** become the **owner** of the **additional auto** and **you** ask **us** to add the **additional auto** to **your** Policy;
3. The **additional auto** is similar in type and use as a listed or scheduled **auto(s)** on the **Declarations Page**;
4. If the **auto** is used in **your** business, **we** already insure all **autos owned** by **you** that are used in **your** business; and
5. If the **auto** is not used in **your** business, **we** already insure all **autos you own.**

If **you** ask **us** to insure the **additional auto** within thirty (30) calendar days after **you** acquire the **auto** and **we** agree to insure it, any coverage **we** provide for the **additional auto** is subject to the following conditions:

1. Until you ask us to insure an **additional auto**, an **additional auto** will have the broadest coverage **we** provide on any **auto** shown on the **Declarations Page** from the date **you** become the **owner** until the date **you** ask **us** to insure the **additional auto**. If **you** ask **us** to insure the **additional auto** within thirty (30) days from the date **you** acquire such **additional auto, we** may charge premium for the **additional auto** from the date **you** acquire the **auto**
2. On the date that **you** ask us to insure an **additional auto** any coverage **you** ask **us** to add to the **auto** or any increase of limits of liability shall not begin until after:
   a. **We** agree to add the coverage or increase the limits; and
   b. **You** pay any additional premium when due.

With respect to PART D > COVERAGE FOR DAMAGE TO YOUR AUTO, if **we** provide coverage for an **additional auto** and the **additional auto** is:

1. A **private passenger auto**, until the date **you** ask **us** to insure the **additional auto we** will provide the broadest coverage **we** provide for any **auto** shown on the **Declarations Page**; or
2. Any **auto** other than a **private passenger auto**, and **you** have purchased Physical Damage coverage for at least one **auto** other than a **private passenger auto**, until the date **you** ask **us** to insure the **additional auto we** will provide the broadest coverage for which the **additional auto** is eligible.

However, if **you** do not notify **us** within thirty (30) calendar days after **you** become the owner of the **additional auto** no retroactive coverage exists for the **additional auto**. Instead, coverage will be effective from the date of notification and going forward

D. **"Auto"** means a land motor vehicle or **trailer** designed for travel on public roads or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state or province where it is licensed or principally garaged. It does not include **mobile equipment**. Self-propelled vehicles with the following types of permanently attached equipment are **autos**, not **mobile equipment**:

a. Equipment designed and used primarily for:

(i) Snow removal;
(ii) Road maintenance, but not construction or resurfacing;
(iii) 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 and well-servicing equipment.

E. **"Bodily injury"** means bodily harm, bodily sickness or bodily disease, including death that results from such **bodily injury**. **Bodily injury** does not include harm; sickness; disease or death arising out of:

1. The contraction of a medically defined communicable disease by any person; nor

2. The exposure of such a disease by any person to any other person.

F. **"Carry persons or property for compensation or a fee"** means to deliver, transport or carry persons; products; goods; materials; property; animals; or livestock for any form of money; salary; income; property; consideration; or any other thing of value, whether or not:

1. Going to a pick-up or returning from a drop-off;

2. The money or other thing of value is paid or given;

a. By any passenger, recipient or other party on a per-trip basis; or

b. In the course of, or as related to, any business activities of a person insured under this Policy; or

3. Any of the persons; products; goods; materials; property; animals; or livestock intended to be delivered or transported are actually in the vehicle or **trailer** at the time of the **accident** or **loss**.

"Carry persons or property for compensation or a fee" includes, but is not limited to, the delivery of goods, either on a wholesale or retail basis, such as food, magazines, newspapers, or flowers.

G. **"Covered auto"** means:

1. Any **auto** described on the **Declarations Page** for which a premium charge is shown unless **you** have asked **us** to delete that **auto** from the Policy;

2. An **additional auto**;

3. A **replacement auto; or**

4. Any **auto** not **owned** by **you** which is:

a. Driven by **you** or a listed driver; and

b. Used on a temporary basis as a substitute for any **auto** described in this definition which is out of service no longer than thirty (30) days because of its:

i. Breakdown;

ii. Repair;

iii. Servicing;

iv. **Loss**; or

v. Destruction.

The **auto** being used as a temporary substitute must be eligible for coverage pursuant to **our** underwriting criteria.

PART D > COVERAGE FOR DAMAGE TO YOUR AUTO does not apply to a temporary substitute **auto**.

H. **"Crime"** means any act or omission that is:

1. A state or federal felony in the United States;

2. An attempt to flee or elude law enforcement or a crime scene; or

3. An illegal activity, trade or transportation;

whether or not there is an arrest, charge or conviction.

"Crime" does not include:

1. Misdemeanor violations of the motor vehicle or traffic laws other than an attempt to:

a. Flee or elude law enforcement; or

b. Flee a crime scene;

2. Vehicular homicide; or

3. Driving under the influence of alcohol or any illegal substance.

I. **"Declarations Page"** means the document prepared by **us** listing **your** Policy information which may include the types of coverage **you** have elected, the limit of each coverage, the cost of each coverage, the specifically described **autos** covered by this Policy, and the types of coverage for each specifically described **auto**.

J. **"Depreciation"** means a decline in value due to wear and tear or obsolescence.

K. **"Derivative claims"** include, but are not limited to, damages for care, emotional injury or mental anguish, wrongful death, or loss of:

1. Service;

2. Consortium;

3. Society; or

4. Companionship;

resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another.

L. **"Diminution in value"** means the actual or perceived loss in market or resale value by reason of the fact that the property has been damaged.

M. **"Employee"** means anyone for which the employer will pay for his or her services and has the authority to direct performance. This includes direct staff, independent contractors, leased workers and temporary workers.

N. **"Family member"** means, only if **you** are an individual:

1. A person related to **you** by blood, marriage or adoption who **resides** in **your** household; or
2. A ward or foster child or stepchild who **resides** in **your** household;

at the time of the **accident** or **loss**.

O. **"Insured contract"** means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. That part of any other contract or agreement pertaining to **your** business (including an indemnification of a municipality in connection with work performed for a municipality) under which **you** assume the tort liability that is vicariously imposed on another for **your** negligence or that of **your** employees or agents; or
6. That part of any contract or agreement, entered into as part of **your** business, for the rental of a **covered auto**. However, such contract or agreement shall not be considered an **insured contract** to the extent that it obligates **you** or any of **your** employees to pay for **property damage** to any **auto** rented or leased to **you** or any of **your** employees.

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

1. That indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; or
2. 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
3. That holds a person or organization engaged in the business of transporting property by **auto** for hire harmless for **your** use of an **insured auto** over a route or territory that person or organization is authorized to serve by public authority.

P. **"Loss"** means sudden, direct unexpected and unintended event, or a continuous or repeated exposure to that event, that causes **bodily injury** or **property damage,** including theft. **Loss** does not include **diminution in value**.

Q. **"Mobile equipment"** means any of the following types of land vehicles, including any attached machinery and equipment:

1. Bulldozers, power shovels, cranes, rollers, booms, winches, shredders, graders, diggers, mixers, compressors, generators, drills, welders, pumps, farm implements and machinery, forklifts, street sweepers or other cleaners and other similar specialized equipment;
2. Vehicles **you** use solely on premises **you** own or rent and on accesses to public roads that adjoin these premises;
3. Vehicles designed for normal use off public roads or which do not require licensing in the state in which **you** live or **your** business is licensed;
4. Vehicles which travel on crawler treads;
5. Non self-propelled vehicles used primarily to provide mobility to the following permanently attached equipment: air compressors; pumps and generators; spraying, welding, cleaning, lighting, geophysical exploration and well servicing equipment; cherry pickers or other devices used to raise or lower workers; snow removal equipment; or road maintenance equipment;
6. Vehicles used primarily for purposes other than transportation of persons or cargo. However, self-propelled vehicles with permanently attached equipment listed below are not mobile equipment but will be considered **autos**:
   a. Snow removal, road maintenance and street cleaning equipment.
   b. Any equipment listed in paragraph 5. above.

However, **mobile equipment** does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered **autos**.

R. **"Motor vehicle business"** means the business of:

1. Selling;
2. Repairing;
3. Servicing;
4. Storing;
5. Parking;
6. Road testing;
7. Delivering;
8. Leasing or renting;
9. Washing; or
10. Valet parking;

any motor vehicle.

S. **"Named insured"** means the individual(s) or organization(s) designated as the named insured(s) on the **Declarations Page**.

T. **"Occupying"** means in; upon; getting into, out of, on or off. A person cannot be **occupying** more than one motor vehicle at a time**.**

U. **"Own"**, **"owned"**, **"owner"**, and **"ownership"**, with respect to an **auto** or **trailer**, mean the person who:

1. Holds the legal title to the **auto** or **trailer**; or
2. Has legal possession of an **auto** or **trailer** that is:
   a. Subject to a written security agreement; or
   b. Leased to that person by a written agreement for a continuous period of six (6) months or longer.

V. **"Permissive operator"** means any person using a **covered auto** with and within the scope of **your** express permission provided such person:

1. Has a valid U.S. driver's license at the time of the **accident**; and
2. Is not an **undisclosed operator**.

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

X. **"Private passenger auto"** means a land motor vehicle:

1. Of the private passenger, pickup body, or cargo van type;
2. Designed for operation principally upon public roads;
3. With at least four wheels; and
4. With a gross vehicle weight rating of 12,000 pounds or less, according to the manufacturer's specifications.

However, **private passenger auto** does not include step-vans, parcel delivery vans, cargo cutaway vans or other vans with cabs separate from the cargo area.

Y. **"Property damage"** means physical damage to, destruction of, or loss of use of, tangible property, if caused solely by an **accident** covered under this Policy.

Z. **"Punitive or exemplary damages"** means all damages that may be awarded, other than compensatory damages, to:

1. Punish or deter conduct; and/or
2. Fine, penalize or impose a statutory penalty due to conduct;

because the conduct is malicious, grossly negligent, wanton, willful, fraudulent or unlawful. This includes, but is not limited to, any damages that have been defined by law as punitive damages or exemplary damages, and any additional costs, attorney fees, other fees, costs or interest awarded because of such damages.

AA. **"Racing"** means:

1. Participating in, competing in, practicing for or preparing for any prearranged or organized racing, speed, demolition or stunting contest or activity;
2. Participating in or competing in an unarranged or spontaneous street or off-road race or stunt;
3. Operating an **auto** on an indoor or outdoor track, course or trail designed or used for:
   a. Racing or speed contest or adventure;
   b. Demonstration driving;
   c. Driver or skills training;
   d. High performance driving; or
   e. Driving competition.

BB. **"Replacement auto"** means an **auto** that **you** acquire during the current policy term that has taken the place of an **auto** shown on the **Declarations Page** due to termination of **your** ownership of the replaced **auto** or due to mechanical breakdown of, deterioration of, or **loss** to the replaced **auto** that renders it permanently inoperable. Any coverage **we** provide for a **replacement auto** is subject to the following terms:

1. No other insurance applies to the **replacement auto**, and **we** insure all **autos** that **you own**.
2. On the date **you** become the **owner** of a **replacement auto**, if coverage applies under this Policy, that **replacement auto** will have the same coverage as the **auto** shown on **your Declarations Page** that is being replaced.

3. The deductible that applies to a **replacement auto** shall be the same as the **auto** it replaced.

4. All coverage **we** provide for the **replacement auto** ends thirty (30) calendar days after **you** become the **owner** if **you** do not ask **us** to insure it within those thirty (30) calendar days.

5. Any coverage **you** ask **us** to add to the **replacement auto** or any increase of limits of liability shall not begin until after:

   a. **We** agree to add the coverage or increase the limits; and

   b. **You** pay any additional premium when due.

6. The **replacement auto** is similar in type and use as a listed or scheduled **auto(s)** on the **Declarations Page** and is eligible for coverage pursuant to **our** underwriting criteria.

CC. **"Reside"**, **"resides"**, and **"residing"** mean to dwell within the household as the person's primary and legal domicile.

DD. **"Trailer"** means a non-motorized vehicle, including a farm wagon or farm implement, designed to be pulled on public roads by an **auto** if the **trailer** is not being used:

1. As a residence, office, store, business or for display purposes; or

2. To transport passengers.

A **trailer** does not include a mobile home. A **trailer** includes a semi-trailer and any piece of equipment used to convert a semi-trailer to a full trailer while it is attached to the semi-trailer.

EE. **"Transportation network platform"** means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

FF. **"Undisclosed operator"** means:

(1) a person who is a regular operator of a **covered auto** and such person is not listed as a driver on the **Declarations Page** of this Policy.

(2) An employee who is hired prior to the policy period and such person is not listed as a driver on the **Declarations Page** of this Policy.

GG. **"We," "us"** and **"our"** mean the Company shown on the **Declarations Page** as providing this insurance.

HH. **"You"** and **"your"** mean the person or organization shown on the **Declarations Page** as the **named insured**. If the **named insured** is an individual than **"you"** and **"your"** mean the **named insured.**

DUTIES AFTER AN ACCIDENT OR LOSS – FILING A CLAIM

GENERAL DUTIES

A. **We** do not provide coverage under this Policy unless **you** have paid the required premium when due. Failure to give notice as required may affect coverage provided under this Policy. Failure to comply with any of the duties in this Policy 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 by an **insured** or against an **insured**.

B. **We** must be notified promptly of how, when and where the **accident** or **loss** happened. **You** or the person seeking coverage must promptly report each **accident** or **loss** even if **you** or the person seeking coverage is not at fault. Notice should include the following:

1. All known facts and circumstances. This notice to **us** should include all known names, addresses and telephone numbers of any injured persons and witnesses.

2. All known license plate information of vehicles involved or vehicle descriptions; and

3. All known driver's license information of persons involved.

C. Any person, organization or entity claiming any coverage under this Policy must:

1. Cooperate with **us** in the investigation, settlement or defense of any claim or lawsuit and assist **us** in:

   a. Making settlements;

   b. Obtaining or authorizing **us** to obtain or secure evidence;

   c. Giving evidence;

   d. Obtaining the attendance of witnesses at hearings and depositions; and

   e. The conduct of lawsuits.

2. Promptly send **us** copies of any notices or legal papers filed or received in connection with the **accident** or **loss**. **We** will not pay for attorney fees or costs incurred by any **insured** or other person without **our** prior written consent.

3. Agree to give **us** information and consent necessary for **us** to comply with any statutes or government regulations that apply including, but not limited to, the person's social security number.

4. Submit, as often as **we** reasonably require, to medical or physical examinations by physicians **we** select. **We** will pay for these examinations.

5. Submit to examinations under oath by **us** or **our** representative as often as **we** reasonably require. These examinations will take place at a reasonable location of **our** choice and outside the presence of any witness, person or entity making a claim due to the same **accident** or **loss**, or any other person other than **your** attorney. **We** may:

    a. Also require an examination under oath from any **family member** or **employee** who may be able to assist **us** in obtaining relevant information even if that person is not claiming benefits under this Policy; and

    b. Make a video and/or audio recording or any other type of recording of an examination under oath.

6. Give **us** written and recorded statements as often as **we** reasonably request.

7. Give **us** written authorization to obtain:

    a. Medical records and reports, including current reports, notes and test results, records of prior medical history and treatment, therapy records and counseling records;

    b. Credit and financial records;

    c. Photographs;

    d. Telephone, including cellular, text messaging and all other telephonic communication records, including billing records; and

    e. Other records **we** deem relevant in the investigation or settlement of a claim.

8. Provide a sworn statement as proof of loss as **we** require.

9. Not voluntarily assume any obligation to pay, make any payment or incur any expense for **bodily injury** or **property damage** arising out of an **accident**.

10. Attend hearings and trials as **we** require.

11. Authorize **us** to get any information on any data, maintenance or event recorder or similar device installed in a **covered auto** as **we** deem relevant to the facts of the **accident** or **loss**.

12. Allow **us** to take any photographs and/or audio/video recordings **we** may require as a part of **our** investigation.

13. Convey title to and possession of the damaged, destroyed or stolen property to **us** if **our** payment is based on a total **loss**.

14. Authorize **us** access to **your** business or personal records as often as **we** may reasonably require

We have no duty to provide coverage under this policy if failure to comply with any of the duties listed above is prejudicial to **us**.

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO

A person seeking coverage under PART D > COVERAGE FOR DAMAGE TO YOUR AUTO must, in addition to the **GENERAL DUTIES**:

1. Promptly, but no later than twenty-four (24) hours after discovery of the **loss**, report the theft or vandalism of any **auto** or other property insured under this Policy, or its equipment or parts, to the police or other local law enforcement.

2. Take reasonable steps after a **loss** to protect all property insured under PART D > COVERAGE FOR DAMAGE TO YOUR AUTO from further **loss**. **We** will pay reasonable and necessary expenses incurred in providing that protection. Any further **loss** due to failure to protect will not be covered under this Policy. Keep a record of **your** expenses for consideration in the settlement of a claim.

3. Permit **us** to inspect and appraise all **loss** covered under PART D > COVERAGE FOR DAMAGE TO YOUR AUTO before its repair or disposal.

4. Promptly, but no later than twenty-four (24) hours after any **accident** or **loss** file a report with the police or other local law enforcement if the person cannot identify the **owner** or operator of an at-fault vehicle involved in the **accident**.

5. Authorize **us** to move the damaged **auto** or **trailer** to a storage facility of **our** choice at **our** expense.

PART A > LIABILITY COVERAGE

INSURING AGREEMENT

A. Subject to the limit of liability shown on the **Declarations Page**, if **you** pay **us** the premium for Liability Coverage, **we** will pay compensatory damages for which an **insured** is legally liable due to **bodily injury or property damage** caused by an **accident** that arises out of the **ownership**, maintenance or use of an **auto** covered under this PART A. Damages include prejudgment interest awarded against an **insured** subject to **our** limits of liability for this PART A. **We** will not pay for **punitive or exemplary damages**.

B. **We** will settle or defend, as **we** consider appropriate, any claim or lawsuit 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** limits of liability, **we** will pay all defense costs **we** incur. **Our** duty to settle or defend ends when **our** limit of liability for this coverage has been exhausted by payment of judgments or by settlement. **We** have no duty to:

    1. Defend any lawsuit;

    2. Settle any claim; or

    3. Pay any judgment;

    for **bodily injury** or **property damage** not covered under this Policy.

ADDITIONAL DEFINITIONS – PART A > LIABILTY COVERAGE

When used in this PART A:

1. The definition of **auto** shall also include **mobile equipment** but only while being carried or towed by a **covered auto, and trailers** designed primarily for travel on public roads, while connected to **your covered auto** that is a power unit.
2. **"Insured"** means:
   a. **You** for the **ownership**, maintenance or use of a **covered auto**.
   b. Any additional driver listed on the **Declarations Page**, but only while using a **covered auto**.
   c. A **permissive operator**.
   d. For the use of a **covered auto**, any person or organization, but only with respect to the legal liability for acts or omissions of a person for whom coverage is afforded under this PART A.
3. The following are not **insureds** under this PART A:
   a. The United States of America or any of its territories or possessions, or agencies.
   b. Any person with respect to **bodily injury** or **property damage** resulting from the operation of an **auto** by that person as an **employee** of the United States Government. This applies only if the provisions of 28 U.S.C. §2679 as amended, require the Attorney General of the United States to defend that person in any civil action which may be brought for the **bodily injury** or **property damage**.
   c. Any person while he or she is working in a **motor vehicle business** unless that business is **yours** and it was so represented in **your** Application.
   d. Any person, other than one of **your employees**, while he or she is moving property to or from a **covered auto**.
   e. The **owner** or anyone else from whom **you** hire or borrow a **covered auto** unless the **covered auto** is a **trailer** connected to a **covered auto you own**.
   f. Any person who is specifically excluded from coverage under this Policy by the **named insured** if the **named insured** is an individual, or by an authorized representative if the **named insured** is an organization.
   g. Any person who is an **undisclosed operator**.

CERTIFICATE OF INSURANCE

If **we** make a filing or submit a certificate of insurance on **your** behalf with a regulatory or governmental agency, the term **"insured"** as used in such filing or certificate, and in any related endorsement, refers only to the person or organization named on such filing, certificate or endorsement.

SUPPLEMENTARY PAYMENTS

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

1. Premiums on appeal bonds and attachment bonds required in any lawsuit **we** defend and choose to appeal. **We** have no duty to:
   a. Apply for or furnish any bond; or
   b. Pay the premium on any bond in an amount that is more than **our** limit of liability.
2. Interest accruing after a judgment is entered in any lawsuit **we** defend on that portion of the judgment that is within **our** limit of liability. This payment does not apply if **we** have not been given notice of suit or the opportunity to defend an **insured**. **Our** duty to pay interest ends when **we** offer to pay that part of the judgment which does not exceed **our** limits of liability for this coverage whether this is through a payment, offer in writing, or deposit in court of that part of the judgment which does not exceed **our** Limit of Liability.
3. Reasonable loss of earnings, up to $250 per day, that are incurred by an **insured** due to attendance at hearings, proceedings, or trials at **our** request. The **insured** must make a written request for loss of earnings and provide written proof of such loss.
4. Up to $250 for a bail bond required due to a traffic law violation resulting in **bodily injury** or **property damage** covered by this PART A. **We** have no duty to apply for or furnish such a bond.
5. Other reasonable expenses incurred at **our** request.
6. Reasonable expenses, up to $1,000, incurred by an **insured** for immediate medical or surgical relief to others necessary at the time of an accident resulting in bodily injury covered by PART A > LIABILITY COVERAGE provided such expenses are not due to war.

EXCLUSIONS

PLEASE READ THE EXCLUSIONS CAREFULLY. IF ANY EXCLUSION APPLIES, COVERAGE WILL NOT BE PROVIDED FOR AN ACCIDENT OR LOSS THAT OTHERWISE WOULD BE COVERED UNDER THIS POLICY.

A. **We** do not provide Liability Coverage for, nor do **we** have a duty to defend for:
   1. **Bodily injury** or **property**:
      a. Caused intentionally by, or at the direction of, an **insured**; or
      b. That is, or should be, reasonably expected to result from an intentional act of an **insured**;

      even if the actual **bodily injury** or **property damage** that results is different than that which was intended.

2. **Property damage** to property:

   a. Owned by;

   b. Rented to;

   c. Used by;

   d. Transported by; or

   e. In the care, custody, or control of;

   you, a **family member** or an **insured**, including damage to **autos** being towed by the **insured**.

3. **Bodily injury** to:

   a. **You**, or any;

   b. Any owner, officer or principal of **you**, if **you** are an organization;

   c. Any **employee** of an **insured**;

   d. Any fellow **employee** of an **insured**;

   e. An independent contractor working on behalf of an **insured**; or

   f. Any Spouse, child, parent, brother, sister or other **family member** of a., b., c., d., or, e. above;

   arising out of, and in the course of, employment.

   This exclusion applies whether the **insured** may be liable as an employer or in any other capacity and 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 a domestic employee if benefits are neither paid nor required to be provided under any workers' compensation, disability benefits, or similar law, or to liability for **bodily injury** assumed by the **insured** under an **insured contract**. For the purposes of this policy, a domestic employee is a person engaged in household or domestic work performed principally in connection with a residence premises.

4. Liability arising out of the **ownership**, maintenance or use of a vehicle while it is being used to **carry persons or property for compensation or a fee** or as a public or livery conveyance, unless **you** have indicated to **us** in **your** Application that a **covered auto** is used for this purpose. This includes liability arising out of the ownership, maintenance or use of a vehicle for any period of time while such vehicle is being used by any **insured** who is logged into a **transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle. This exclusion does not apply to shared-expense car pools whose members are on the way to or from the same place of employment.

5. Any obligation for which an **insured** or the insurer of that **insured** may be held liable under a worker's compensation, unemployment compensation, disability benefits law or any similar law.

6. **Bodily injury**, **property damage** or **loss** due to defects, deficiencies, inadequacies or dangerous conditions in **your** products or in work performed by **you** or on **your** behalf after it has been completed. This includes erroneous deliveries of liquids into a wrong receptacle or to a wrong address and erroneous delivery of one liquid product for another.

   This includes warranties or representations made by **you** at any time with respect to the fitness, quality, durability, or performance of **your** products or work performed.

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

   a. When all of the work called for in **your** contract has been completed.

   b. When all of the work to be done at a particular site has been completed if **your** contract calls for work at more than one site.

   c. 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 subcontractor 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.

7. **Bodily injury** or **property damage** that occurs while any person is using an **auto** without the **owner's** express or implied permission or beyond the scope of the **owner's** express or implied permission.

8. **Bodily injury** or **property damage** resulting from:

   a. The loading of property before it has been placed in or on a **covered auto**;

   b. The unloading of property after it has been taken off or out of a **covered auto** until the property is no longer in physical contact with a **covered auto**;

   c. The loading or unloading of property by any device that is attached to a **covered auto**; or

   d. The loading or unloading of property by anyone who is not **your employee**.

9. **Bodily injury** to **you**, any **family member, undisclosed driver** or any **insured**.

10. **Bodily injury** or **property damage** for which any person:

    a. Is 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.

    This exclusion applies even if the limits of that insurance are exhausted.

11. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance or use of any vehicle while **racing**.

12. Any obligation for which the United States Government is held responsible under the Federal Tort Claims Act.

13. Any liability assumed by an **insured** under any contract or agreement unless the agreement is an **insured contract** that was executed prior to the occurrence of any **bodily injury** or **property damage**.

14. **Bodily injury** or **property damage** to any person that results from an **accident** or **loss** that occurs while the **insured** is committing a **crime**.

15. **Bodily injury** or **property damage** caused by, or any consequence of:

    a. War, whether declared or undeclared;

    b. Civil war;

    c. Insurrection;

    d. Rebellion or revolution;

    e. Radioactive contamination; or

    f. Nuclear reaction or radiation, whether controlled or uncontrolled or however caused.

16. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance or use of a **covered auto** as a residence or premises.

17. **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. This includes 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.

18. Court ordered criminal restitution.

19. **Bodily injury** or **property damage** resulting from the use of any firearm or weapon in connection with the **ownership**, maintenance or use of any **auto**.

20. **Bodily injury** or **property damage** caused by or through the ownership, maintenance or use of any **mobile equipment** or other apparatus attached to, or pulled by, a **covered auto** except while a **covered auto** is in transit on a public roadway.

21. **Bodily injury** or **property damage** resulting from the explosion or discharge of Class A and B explosives, poisonous gas, liquid gas, compressed gas, or radioactive material and all other materials and/or commodities as listed in the Motor Carrier Act (49 CFR 173, 172.101, 173.389, 171.389, 171.8) which are manufactured, sold, transported, handled or distributed by an **insured**.

22. **Bodily injury** or **property damage** arising from the operation of any equipment including but not limited to:

    a. Air compressors;

    b. Pumps;

    c. Generators;

    d. Spraying equipment;

    e. Welding equipment;

    f. Cleaning equipment;

    g. Lighting equipment;

    h. Geophysical exploration equipment;

    i. Well servicing equipment;

    j. Cherry pickers or other devices used to raise or lower workers;

    k. Snow removal equipment; or

    l. Road maintenance equipment;

    regardless of whether the equipment is part of, or attached to, a **covered auto**.

23. **Bodily injury** or **property damage** if a **covered auto** is attached to a **trailer** not listed on the **Declarations Page** and the **trailer**:

    a. Is greater than twelve (12) feet in length; or

    b. Has a load capacity of 2,000 pounds or more; and

    is owned by **you** or **your employee** or has been hired or borrowed by **you** or **your employee** for more than thirty (30) consecutive calendar days.

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

    a. That are contained in any property that is:

        i. Being transported or towed by, or handled for movement into, onto or from a **covered auto**;

        ii. Otherwise being transported by or on behalf of the **insured**; or

        iii. Being stored, disposed of, treated or processed in or upon a **covered auto**;

    b. 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 a **covered auto**; or

    c. After the **pollutants**, or any property in which the **pollutants** are contained, are moved from a **covered auto** to the place where they are finally delivered, disposed of or abandoned by the **insured**.

    Paragraph a. iii. of Exclusion 24. 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 a **covered auto** or its parts, if:

        i. The **pollutants** escape or are discharged, dispersed or released directly from a **covered auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants** and is a part that would be required for the customary operation of a **covered auto**; and

        ii. The **bodily injury** or **property damage** does not arise out of the operation of any **mobile equipment**.

    Paragraphs b. and c. of Exclusion 24. do not apply to **accidents** that occur away from premises owned by or rented to an **insured** with respect to **pollutants** not in or upon a **covered auto** if:

        i. 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

        ii. The discharge, dispersal, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

25. Any damage, 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**.

26. **Bodily injury** or **property damage** arising out of the operation of a **covered auto** by any driver not meeting legal age requirements to operate a vehicle in the state in which the **covered auto** is principally garaged or not possessing a valid U.S. driver's license.

27. **Bodily injury** or **property damage** arising out of the use of a **covered auto** for transportation of any explosive substance, flammable liquid, or similarly hazardous material.

28. **Bodily injury** or **property damage** occurring outside any territory or possession of the United States and any province of Canada, or while an **auto** is being transported between their ports.

29. **Bodily injury** or **property damage** involving an **auto** while being used or maintained by any person when employed or engaged in **motor vehicle business**, unless that business is **yours**, and it was so represented in **your** application.

30. Any liability imposed upon an **insured** by statute arising from the **insured's** sponsorship of a minor for an operator's license.

B. **We** do not provide Liability Coverage for, nor do **we** have a duty to defend, any **insured** for **bodily injury** or **property damage** arising out of the **ownership**, maintenance, or use of:

1. Any vehicle which has less than four wheels or which is designed for use mainly off public roads such as any type of all-terrain or quad vehicle, dune buggy, go-cart, or golf cart. This exclusion does not apply to **your trailer**.

2. Two or three wheel motorcycles;

3. Any vehicle, other than an **auto** listed on the **Declarations Page**, that is:

    a. **Owned** by **you**; or

    b. Furnished or available for **your** regular use.

4. Any vehicle, other than an **auto** listed on the **Declarations Page**, that is:

    a. **Owned** by any **family member**; or

    b. Furnished or available for the regular use of any **family member**.

5. A **covered auto** that:

   a. Is being rented or leased, subleased, loaned or given by **you** or a **family member** to another party in exchange for money, value, goods, services, compensation or reimbursement;

   b. Has been given in exchange for compensation;

   c. Is under a conditional sales agreement by **you** to another; or

   d. Has been entrusted to anyone other than **you** or a **family member** for consignment; sale; promoting sale; subleasing; leasing; renting; or selling, and is no longer in **your** possession.

LIMITS OF LIABILITY

A. The Bodily Injury limit of liability shown on the **Declarations Page** for **"**each person**"** is the most **we** will pay for all damages, including **derivative claims**, arising out of and due to **bodily injury** sustained by any one person in any one **accident**. For the purpose of such limit of liability, all damages, including **derivative claims**, shall constitute a single claim.

B. Subject to the limit for **"**each person**"**, the Bodily Injury limit of liability shown on the **Declarations Page** for **"**each **accident"** is the most **we** will pay for all damages, including **derivative claims**, arising out of and due to **bodily injury** resulting from any one **accident**. For the purpose of such limit of liability, all damages, including **derivative claims**, shall constitute a single claim.

C. The Property Damage limit of liability shown on the **Declarations Page** for **"**each **accident"** is the most **we** will pay for all damages due to **property damage** sustained in any one **accident**.

D. If the **Declarations Page** indicates that a combined single limit applies, the limit of liability shown is the most **we** will pay for the total of all damages, including **derivative claims**, arising out of and due to **bodily injury** and/or **property damage** resulting from any one **accident**. For the purpose of such limit of liability, all damages, including **derivative claims**, shall constitute a single claim.

   Without changing this total limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.

E. There will be no adding, stacking or combining of coverage. The limits of liability for Bodily Injury Liability Coverage and Property Damage Liability Coverage shown on the **Declarations Page** are the most **we** will pay as a result of any one **accident** without regard to the number of:

   1. **Insureds,** heirs or survivors;
   2. Claimants;
   3. Claims made;
   4. Lawsuits filed;
   5. Vehicles shown on the **Declarations Page**;
   6. Premiums shown on the **Declarations Page**;
   7. Vehicles involved in the **accident**; or
   8. Premiums paid.

F. A **covered 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**.

G. Any payment under PART A > LIABILITY COVERAGE will be reduced by any payment made to that person under PART B > MEDICAL PAYMENTS COVERAGE or PART C (I) > UNINSURED/UNDERINSURED MOTORIST BODILY INJURY COVERAGE.

H. No one will be entitled to receive duplicate payments for the same element of **loss** or damages under PART A for which payment has been made:

   1. Under any other coverage provided by this Policy;
   2. By or on behalf of the person or organization that may be legally responsible; or
   3. Under any other insurance including but not limited to, worker's compensation, disability or health coverage, or source of recovery.

I. For the purpose of determining **our** Limit of Liability all **bodily injury** or **property damage** resulting from continuous or repeated exposure to substantially the same event, shall be considered as resulting from one **accident**.

OUT OF STATE COVERAGE

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

   If the state or province has:

   1. A financial responsibility or similar law requiring a nonresident driver to maintain insurance with limits of liability for **bodily injury** or **property damage** higher than the limits shown on the **Declarations Page**, the limits of liability under this Policy that apply to that **accident** will be the higher minimum Liability Coverage limits required by the law in that state or province. However, **we** will not provide any Liability Coverage for an **accident** if the **Declarations Page** does not show **you** have purchased that Liability Coverage unless that state or province has a financial responsibility or similar law that requires **us** to do so; or

2. A compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses an **auto** in that **state** or province, this Policy will provide the greater of:

   a. The required minimum limits and types of coverage; or

   b. The applicable limits of liability provided for that **insured** under this Policy.

B. This extension does not apply to the limit or limits specified by any law governing commercial carriers of passengers or property.

C. **We** will not modify the coverage under this Policy if the **accident** involves a **covered auto** which is registered in or operated in a state, other than the state in which this Policy is issued, for thirty (30) days or more within the calendar year in which the **accident** occurred.

FINANCIAL RESPONSIBILITY REQUIRED

When this Policy is certified as proof of financial responsibility, this Policy will comply with the law of the state in which the Policy is written 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. **We** will be obligated to pay no more than the minimum amount required by that agency or applicable law.

OTHER INSURANCE

A. For any **covered auto** that is specifically described on the **Declarations Page**, this policy provides primary coverage. For any **auto** which is not specifically described on the **Declarations Page**, coverage under this policy will be excess over any and all other valid and collectible insurance, whether primary, excess or contingent. . If coverage under more than one policy applies on the same basis, either excess or primary, **we** will pay only **our** proportionate share. **Our** proportionate share is the proportion that the Limit of Liability of this policy bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

B. If the other insurer refuses to defend, **we**:

   1. Will continue to defend where required by law;

   2. Shall be subrogated to the **insured's** rights against the other insurer;

   3. Reserve **our** rights against such insurer; and

   4. Do not waive any of **our** rights against the other insurer by continuing to defend.

C. If a **covered auto**, which is specifically described on the **Declarations Page**, is a **trailer**, this Policy will be primary only if the **trailer** is attached to a **covered auto** that is a power unit **you own** and is specifically described on the **Declarations Page**; it will be excess in all other circumstances.

D. If any applicable insurance other than this Policy is issued by **us** and is applicable to a covered **accident**, the total amount payable among all such policies shall not exceed the limits provided by the single policy with the highest limits of liability.

E. When two policies providing liability insurance apply to an **auto** and;

   a. One provides coverage to a Named Insured engaged in the **motor vehicle business**;

   b. The other provides coverage to a person not engaged in the **motor vehicle business**; and

   c. At the time of an **accident** a person described in Paragraph b., is operating an **auto** owned by the business described in Paragraph a., then that person's liability insurance is primary and the Policy issued to a business described in Paragraph a. is excess over any insurance available to that person.

F. When two policies providing liability insurance apply to an **auto** and:

   a. One provides coverage to a Named Insured engaged in the **motor vehicle business**;

   b. The other provides coverage to a person not engaged in the **motor vehicle business**; and

   c. At the time of an **accident** an **insured** under the policy described in Paragraph a. is operating an **auto** owned by a person described in Paragraph b., then the liability insurance policy issued to the business described in Paragraph a. is primary and the Policy issued to a person described in Paragraph b. is excess over any insurance available to the business.

PART B > MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

A. Subject to the limit of liability shown on the **Declarations Page**, if **you** pay **us** the premium for Medical Payments Coverage, **we** will pay **medical expenses** and funeral service expenses arising out of **bodily injury**:

   1. Caused by an **auto accident**;

   2. Sustained by an **insured**; and

   3. Arising out of the **ownership**, maintenance or use of an **auto**.

   We will pay only those **medical expenses** and funeral service expenses incurred within three (3) years from the date of the **accident**.

B. **We** have the right to review the **medical expenses** to determine if they are reasonable and necessary for diagnosis and treatment of **bodily injury**. **We** may use independent sources of information selected by **us** to assist **us** in determining if any **medical expense** is reasonable and necessary. These sources may include, but are not limited to:

1. Physical exams paid for by **us** and performed by physicians **we** select;
2. Review of medical files;
3. Computer databases; or
4. Published sources of **medical expense** information.

C. **We** may refuse to pay for:

1. Any portion of a **medical expense** that is unreasonable because the fee, cost or charge for the service is greater than the **usual and customary charge**; and/or
2. Any **medical expense** because the service rendered is unnecessary for the treatment of the **bodily injury** sustained.

Any dispute as to the **usual and customary charge** will be resolved between the service provider and **us**.

If **we** refuse to pay for any portion of a **medical expense** because the fee, cost or expense is unreasonable or for any service because the service is unnecessary and the **insured** is sued for payment of this **medical expense**, **we** will defend the **insured** with an attorney of **our** choice. **We** will pay defense costs and any judgment against the **insured** up to **our** limit of liability for this coverage. The **insured** must cooperate with **us** in the defense of the lawsuit and attend depositions, hearings, or trials at **our** request. **We** will pay, upon written request by the **insured**:

1. Reasonable loss of earnings to an **insured**, up to $200 per day, that is incurred by an **insured** due to attendance at hearings, proceedings or trials at **our** request. The **insured** must provide **us** written proof of such loss; and
2. Other reasonable expenses the **insured** incurs at **our** request as a result of a lawsuit by a health care provider to recover **medical expenses we** refuse to pay because the fee, cost or charge is unreasonable or unnecessary.

D. **We** may refuse to pay for any medical services that are not provided and prescribed by a health care provider licensed by the state and acting within the scope of that license.

E. **We** will not pay for any portion of a **medical expense** that exceeds the amount that the health care provider charges to patients who do not have insurance.

F. **We** have the right to make payment directly to a provider of **medical expenses** and funeral service expenses.

ADDITIONAL DEFINITIONS – PART B > MEDICAL PAYMENTS COVERAGE

As used in this PART B:

A. **"Insured"** means:

1. **You,** if **you** are a natural person:
   a. While **occupying**; or
   b. As a pedestrian when struck by:

   a motor vehicle designed for use mainly on public roads.
2. Any other person while **occupying** an **auto** listed on the **Declarations Page** when the **auto** is being used with, and within the scope of, **your** permission.

B. **"Medical expense"** and **"medical expenses"** mean the **usual and customary charge** for reasonable and necessary:

1. Services, treatment, procedures and products provided by a state licensed health care provider;
2. Medications, orthopedic and prosthetic devices, eyeglasses, hearing aids and other medical supplies when prescribed by a state licensed health care provider; and
3. Services, treatment, procedures and products provided by a state licensed health care provider for physical therapy, vocational rehabilitation, occupational therapy and speech pathology and audiology.

"Medical expense" and **"medical expenses"** do not include any fees, costs or charges for:

1. Massage therapy not prescribed by a state licensed doctor of chiropractic;
2. Marijuana, whether prescribed for medical purposes or not;
3. Treatment, services, products, or procedures that are:
   a. Experimental or for research; or
   b. Not commonly and customarily recognized in the medical profession in the United States as customary treatment for **bodily injury**;
4. Thermography, acupuncture or other related procedures of similar nature; or
5. The purchase or rental of equipment not primarily designed to serve a medical purpose.

C. **"Usual and customary charge"** means the fees, costs or charges **we** determine that represents a common and typical charge for services in the geographical area in which the service is rendered. **We** may determine the **usual and customary charge** by using independent sources of **our** choice.

EXCLUSIONS

PLEASE READ THE EXCLUSIONS CAREFULLY. IF ANY EXCLUSION APPLIES, COVERAGE WILL NOT BE PROVIDED FOR AN ACCIDENT OR LOSS THAT OTHERWISE WOULD BE COVERED UNDER THIS POLICY.

A. **We** do not provide Medical Payments Coverage for any person for **bodily injury**:

1. Caused intentionally by, or at the direction of, an **insured** or that is, or should be, reasonably expected to result from an act of an **insured** even if the actual **bodily injury** that results is different than that which was intended.
2. That occurs while the **insured** is employed or otherwise engaged in any **motor vehicle business** unless that business is **yours** and it was so represented in **your** Application.
3. To:
   a. **You**; or any
   b. Any owner, officer or principal of **you**, if **you** are an organization;
   c. Any **employee** of an **insured**;
   d. Any fellow **employee** of an **insured**;
   e. An independent contractor working on behalf of an **insured**; or
   f. Any spouse, child, parent, brother, sister or other **family member** of a., b., c., d. or, e. above;

   arising out of and in the course of employment.

   This exclusion applies whether the **insured** may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.
4. Arising out of the **ownership**, maintenance or use of a vehicle while it is being used to **carry persons or property for compensation or a fee** or as a public or livery conveyance, unless **you** have indicated to **us** in **your** Application that a **covered auto** is used for this purpose. This includes liability arising out of the ownership, maintenance or use of a vehicle for any period of time while such vehicle is being used by any **insured** who is logged into a **transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle. This exclusion does not apply to shared-expense car pools whose members are on the way to or from the same place of employment.
5. Arising out of any obligation for which an **insured** or the insurer of that **insured** may be held liable under a worker's compensation, unemployment compensation, disability benefits law or any similar law.
6. Due to defects, deficiencies, inadequacies or dangerous conditions in **your** products or in work performed by **you** or on **your** behalf. This includes erroneous deliveries of liquids into a wrong receptacle or to a wrong address and erroneous delivery of one liquid product for another.
7. That occurs while any person is using an **auto** without the **owner's** express or implied permission or beyond the scope of the **owner's** express or implied permission.
8. Resulting from:
   a. The loading of property before it has been placed in or on a **covered auto**;
   b. The unloading of property after it has been taken off or out of a **covered auto**;
   c. The loading or unloading of property by any device that is attached to a **covered auto**; or
   d. The loading or unloading of property by anyone who is not **your employee**.
9. For which any person:
   a. Is 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.

   This exclusion applies even if the limits of that insurance are exhausted.
10. Arising out of the **ownership**, maintenance or use of any vehicle while **racing**.
11. For which the United States Government is held responsible under the Federal Tort Claims Act.
12. Arising out of any liability assumed by an **insured** under any contract or agreement including liability imposed upon an **insured** by statute arising from the **insured's** sponsorship of a minor for an operator's license.
13. Resulting from an **accident** or **loss** that occurs while the **insured** is committing a **crime**.
14. Caused by, or any consequence of:
   a. War, whether declared or undeclared;
   b. Civil war;
   c. Insurrection;
   d. Rebellion or revolution;
   e. Radioactive contamination; or
   f. Nuclear reaction or radiation, whether controlled or uncontrolled or however caused.

15. Arising out of the **ownership**, maintenance or use of a **covered auto** as a residence or premises.

16. 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. This includes 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.

17. Resulting from the discharge or use of any firearm or weapon in connection with the **ownership**, maintenance or use of any **auto**.

18. Caused by or through the ownership, use or operation of any **mobile equipment** or other apparatus attached to, or pulled by, a **covered auto** except while a **covered auto** is in transit on a public roadway.

19. Resulting from the explosion or discharge of Class A and B explosives, poisonous gas, liquid gas, compressed gas, or radioactive material and all other materials and/or commodities as listed in the Motor Carrier Act (49 CFR 173, 172.101, 173.389, 171.389, 171.8) which are manufactured, sold, transported, handled or distributed by an **insured**.

20. Arising from the operation of any equipment including but not limited to:

    a. Air compressors;

    b. Pumps;

    c. Generators;

    d. Spraying equipment;

    e. Welding equipment;

    f. Cleaning equipment;

    g. Lighting equipment;

    h. Geophysical exploration equipment;

    i. Well servicing equipment;

    j. Cherry pickers or other devices used to raise or lower workers;

    k. Snow removal equipment; or

    l. Road maintenance equipment;

    regardless of whether the equipment is part of, or attached to, a **covered auto**.

21. Arising out of the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of **pollutants**:

    a. That are contained in any property that is:

        i. Being transported or towed by, or handled for movement into, onto or from a **covered auto**;

        ii. Otherwise being transported by or on behalf of the **insured**; or

        iii. Being stored, disposed of, treated or processed in or upon a **covered auto**;

    b. 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 a **covered auto**; or

    c. After the **pollutants,** or any property in which the **pollutants** are contained, are moved from a **covered auto** to the place where they are finally delivered, disposed of or abandoned by the **insured**.

    Paragraph a. iii. of Exclusion 21. 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 a **covered auto** or its parts, if:

    i. The **pollutants** escape or are discharged, dispersed or released directly from a **covered auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants** and is a part that would be required for the customary operation of a **covered auto**; and

    ii. The **bodily injury** or **property damage** does not arise out of the operation of any **mobile equipment**.

    Paragraphs b. and c. of Exclusion 21 do not apply to **accidents** that occur away from premises owned by or rented to an **insured** with respect to **pollutants** not in or upon a **covered auto** if:

    i. 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

    ii. The discharge, dispersal, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

22. Arising out of the operation of a **covered auto** by any driver not meeting legal age requirements to operate a vehicle in the state in which the **covered auto** is principally garaged.

B. **We** do not provide Medical Payments Coverage for any **insured** for **bodily injury** arising out of the **ownership**, maintenance, or use of:

    1. Any vehicle which has less than four wheels or which is designed for use mainly off public roads such as any type of all-terrain or quad vehicle, dune buggy, go-cart, or golf cart. This exclusion does not apply to **your trailer** if a premium has been paid for Medical Payments Coverage.

2. Any vehicle, other than an **auto** listed on the **Declarations Page** for which this coverage has been purchased, that is:
    a. **Owned** by **you**; or
    b. Furnished or available for **your** regular use.
3. Any **auto**, other than an **auto** listed on the **Declarations Page** for which this coverage has been purchased, that is:
    a. **Owned** by any **family member**; or
    b. Furnished or available for the regular use of any **family member**.
4. A **covered auto** that:
    a. Is being rented or leased, subleased, loaned or given by **you** or a **family member** to another party in exchange for money, value, goods, services, compensation or reimbursement;
    b. Has been given in exchange for compensation;
    c. Is under a conditional sales agreement by **you** to another; or
    d. Has been entrusted to anyone other than **you** or a **family member** for consignment; sale; promoting sale; subleasing; leasing; renting; or selling, and is no longer in **your** possession.

LIMIT OF LIABILITY

A. The limit of liability shown on the **Declarations Page** for Medical Payments Coverage is the most **we** will pay for all damages arising out of and due to **bodily injury** for one or more persons injured in any one **accident**. There will be no adding, stacking or combining of coverage. The limit of liability for Medical Payments Coverage shown on the **Declarations Page** is the most **we** will pay without regard to the number of:
    1. **Insureds**, heirs or survivors;
    2. Claimants;
    3. Claims made;
    4. Lawsuits filed;
    5. Vehicles shown on the **Declarations Page**;
    6. Premiums shown on the **Declarations Page**;
    7. Vehicles involved in the **accident**; or
    8. Premiums paid.

B. Any payment under PART B > MEDICAL PAYMENTS COVERAGE will be reduced by any payment made to that person under PART A > LIABILITY COVERAG or, PART C (I) > UNINSURED/ UNDERINSURED MOTORIST BODILY INJURY COVERAGE.

C. No one will be entitled to receive duplicate payments for the same elements of damage under PART B for which payment has been made:
    1. Under any other coverage provided by this Policy;
    2. By or on behalf of the person or organization that may be legally responsible; or
    3. Under any other insurance or source of recovery.

ASSIGNMENT OF BENEFITS

We will pay for **medical expenses** directly to a licensed health care provider if **we** receive a signed written assignment of benefits payable under PART B > MEDICAL PAYMENTS COVERAGE. If **we** pay benefits directly to a health care provider, **we** have no further duty or liability to pay those same benefits to an **insured** or to any other person or entity.

OTHER INSURANCE

A. If there is other applicable insurance that provides coverage for **medical expenses** and/or funeral service expenses including, but not limited to, other motor vehicle medical payments coverage, health or medical insurance, personal injury protection coverage, no-fault coverage, worker's compensation or similar insurance, any insurance **we** provide shall be excess to all other collectible insurance and bonds.

B. If there is any other insurance for **medical expenses** with the same priority as this Medical Payments Coverage, **we** will not pay more than **our** share of the unpaid covered **medical expenses**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits with the same priority.

C. This Policy will be excess over any coverage afforded to a **permissive operator** of a **covered auto**.

PART C (I) > UNINSURED MOTORIST BODILY INJURY COVERAGE

INSURING AGREEMENT

A. Subject to the limit of liability shown on the **Declarations Page**, if **you** pay **us** the premium for Uninsured Motorist Bodily Injury Coverage, **we** will pay compensatory damages for which an **insured** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of **bodily injury**:
    1. Sustained by that **insured**;
    2. Caused by an **accident**; and
    3. Arising out of the **ownership**, maintenance or use of an **uninsured motor vehicle**.

    We will not pay for **punitive or exemplary damages**.

B. **We** will pay under this PART C (I) only after the limits of liability under any applicable **bodily injury** liability policies, self-insurance and bonds have been exhausted by payment of judgments or settlements.

C. **We** are not bound by any settlement entered into without **our** consent.

D. **We** are not bound by any judgment for damages that arises out of a lawsuit brought without **our** prior written consent.

ADDITIONAL DEFINITIONS – PART C (I) > UNINSURED MOTORIST BODILY INJURY COVERAGE

As used in this PART C (I):

A. **"Insured"** means:

1. **You,** if you are a natural person, and any **family member**;
2. Any other person **occupying** a **covered auto** with, and within the scope of, **your** express or implied permission; or
3. Any person for damages that person is legally entitled to recover because of **bodily injury** to which this coverage applies sustained by a person listed in A.1. or A.2. above. This shall not increase **our** limit of liability to an amount that exceeds the limit of liability applicable to that person referred to in A. 1 or A.2. above.

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

1. To which no **bodily injury** liability bond or policy applies at the time of the **accident**.
2. Which is a hit-and-run vehicle whose operator or **owner** cannot be identified and which makes actual physical contact with a **covered auto** or causes an **accident** without hitting:
   a. **You**;
   b. A vehicle that **you** are **occupying**; or
   c. A **covered auto**.

   If there is no physical contact with the hit-and-run vehicle:
   a. the facts of the **accident** must be corroborated by clear and convincing evidence, other than evidence provided by occupants of the **insured auto,** and
   b. the **insured,** or someone on his or her behalf, must report the accident to the police or civil authority within a reasonable time after the accident, and
   c. the **insured** must not be negligent in failing to determine the identity of the vehicle and the operator or **owner** of the vehicle, at the time of the **accident.**
3. To 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.
4. To which a **bodily injury** liability bond or policy applies at the time of the **accident** but the sum of all applicable limits of liability for **bodily injury** is less than the coverage limit for Uninsured Motorist Bodily Injury Coverage shown on the **Declarations Page** or has been reduced by payments to persons other than the **insured** involved in the same **loss** to an amount which is less than the Limit of Liability for this coverage.

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

1. **Owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent;
2. Designed mainly for use off public roads while not on public roads;
3. While located for use or being used as a residence or premises;
4. **Owned** by, furnished to or made available for the regular use of **you** or, if **you** are a natural person, any **family member**;
5. Which is shown on the **Declarations Page** or which is insured for coverage under PART A of this Policy;

ADDITIONAL DUTIES FOR PART C (I) > UNINSURED MOTORIST BODILY INJURY COVERAGE

A person seeking coverage under PART C (I) > UNINSURED MOTORIST BODILY INJURY COVERAGE must also, in addition to the **GENERAL DUTIES**:

1. Promptly report any **accident** or **loss** to the police or other local law enforcement.
2. Notify the police within twenty-four (24) hours or as soon as practical after an **accident** that involves a hit-and-run vehicle or unknown driver.
3. Provide a statement under oath to **us** within thirty (30) days after the written report of the **accident** has been filed with the appropriate law enforcement agency.
4. Serve a copy of any legal action and all pleadings on **us** as required by law.
5. Send **us** copies of legal papers if a lawsuit is commenced.
6. Promptly notify **us** in writing of an offer of settlement between the **insured** and the **owner**, operator or insurer of the **underinsured motor vehicle**.

7. Allow **us** thirty (30) days after an offer of settlement to advance payment to that **insured** in an amount equal to the offer to preserve all of **our** rights against the **owner**, operator or insurer of any **uninsured motor vehicle**.

   If **we** advance payment to the **insured** in an amount equal to the tentative settlement within 30 days after receipt of notification:

   a. That payment will be separate from any amount the **insured** is entitled to recover under the provisions of Uninsured Motorists Bodily Injury Coverage; and

   b. **We** also have a right to recover the advance payment, unless judgment is rendered in favor of the owner or operator of an **uninsured motor vehicle**.

8. Give **us** proof that the limits of liability under any liability policies that apply to an **uninsured motor vehicle** have been exhausted by payment of judgments or settlements.

EXCLUSIONS

PLEASE READ THE EXCLUSIONS CAREFULLY. IF ANY EXCLUSION APPLIES, COVERAGE WILL NOT BE PROVIDED FOR AN ACCIDENT OR LOSS THAT OTHERWISE WOULD BE COVERED UNDER THIS POLICY.

A. **We** do not provide Uninsured Motorist Bodily Injury Coverage for **bodily injury** sustained by any **insured**:

   1. If the **insured** or his or her legal representative, without advance written notice to **us**, either:

      a. Settles the **bodily injury** claim; or

      b. Brings suit and obtains a judgment related to the **bodily injury** claim;

   2. If **our** interests or rights have been impaired or prejudiced by a judgment in any lawsuit against any person or organization that may be liable for such **bodily injury** and **we** have not given prior written consent to the **insured** to proceed with that lawsuit.

   3. That occurs while any person is using an **auto** without the **owner's** express or implied permission or beyond the scope of the **owner's** express or implied permission.

   4. Who:

      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.

   5. Caused by or any consequence of:

      a. War, whether declared or undeclared;

      b. Civil war;

      c. Insurrection;

      d. Rebellion or revolution;

      e. Radioactive contamination; or

      f. Nuclear reaction or radiation, whether controlled or uncontrolled or however caused.

B. Coverage under this PART C (I) shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:

   1. Worker's compensation law; or

   2. Disability benefits law.

C. **We** will not be bound by:

   1. Any settlement entered into without **our** consent; or

   2. Judgment entered into with a party who is liable for damages without **our** consent.

LIMIT OF LIABILITY

A. The Uninsured Motorist Bodily Injury limit of liability shown on the **Declarations Page** for each person is the most **we** will pay for all damages, including **derivative claims**, arising out of and due to **bodily injury** sustained by any one person in any one **accident**. For the purpose of such limit of liability, all damages, including **derivative claims**, shall constitute a single claim.

B. Subject to the limit of liability for each person, the Uninsured Motorist Bodily Injury limit of liability shown on the **Declarations Page** for each **accident** is the most **we** will pay for all damages, including **derivative claims**, arising out of and due to **bodily injury** resulting from any one **accident**. For the purpose of such limit of liability, all damages, including **derivative claims**, shall constitute a single claim.

C. If the **Declarations Page** indicates that a combined single limit applies, the limit of liability shown is the most **we** will pay for the total of all damages, including **derivative claims**, arising out of and due to **bodily injury** and **property damage** as the result of any one **accident**. For the purpose of such limit of liability, all damages, including **derivative claims**, shall constitute a single claim. However, without changing this total limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.

D. There will be no adding, stacking or combining of coverage. The limits of liability for Uninsured Motorist Bodily Injury shown on the **Declarations Page** are the most **we** will pay as the result of any one **accident** without regard to the number of:

1. **Insureds**, heirs or survivors;
2. Claimants;
3. Claims made;
4. Lawsuits filed;
5. Vehicles shown on the **Declarations Page**;
6. Premiums shown on the **Declarations Page**;
7. Vehicles involved in the **accident**;
8. Premiums paid; or
9. Policies issued by **us**.

E. Any payment under PART C (I) > UNINSURED MOTORIST BODILY INJURY COVERAGE will be reduced by all sums:

1. Paid or payable from or on behalf of persons or organizations that may be legally liable. This includes, but is not limited to, all sums paid or payable under PART A > LIABILITY COVERAGE; and
2. Paid or payable under any of the following or similar laws:
   a. Worker's compensation law;
   b. Disability benefits law;
   c. Medical Payments Coverage: or
   d. Personal Injury Protection Coverage.

F. No one will be entitled to receive duplicate payments for the same elements of **loss** or damage under PART C (I) for which payment has been made:

1. Under any other coverage provided by this Policy;
2. By or on behalf of the person or organization that may be legally responsible; or
3. Under any other insurance including but not limited to, worker's compensation, disability or health coverage, or source of recovery.

OTHER INSURANCE

A. If an **insured** sustains **bodily injury**:

1. while not occupying an **auto**, the insurance on the **auto** under which the **insured** is insured with the highest limits of uninsured motorist bodily injury coverage shall apply, and no other uninsured motorist bodily injury coverage shall apply. In no instance shall uninsured motorist bodily injury coverage from more than one policy be available as primary coverage. If two or more policies provide the highest limit, all such policies will share the loss equally;
2. while **occupying** an **auto** owned by that **insured**, only the limits of uninsured motorist bodily injury coverage on the **auto** in which the **insured** is an occupant shall apply. The limits of uninsured motorist bodily injury coverage shall not be increased because of multiple **autos**, whether covered under a single policy or multiple policies, and in no event shall the total amount of recovery from all policies and bonds, including any amount recovered under the **insured's** uninsured motorist bodily injury coverage, exceed the limits of the **insured's** uninsured motorist bodily injury coverage;
3. while **occupying** an **auto** not owned by that **insured**, the following priorities of recovery under uninsured motorist coverage apply:
   a. first priority coverage: the uninsured motorist bodily injury coverage on the **auto** in which the **insured** was an occupant shall be the primary uninsured motorist bodily injury coverage;
   b. second priority coverage: if the first priority coverage is exhausted due to the extent of compensatory damages, then the uninsured motorist bodily injury coverage provided by a policy under which the **insured** is a named insured shall be applicable as excess coverage to the first priority coverage, provided that if the **insured** is covered as a named insured under more than one policy, then only the policy with the highest limits of uninsured motorist bodily injury coverage shall apply. If two or more policies provide the highest limit, all such policies will share the **loss** equally;
   c. third priority coverage: if the first priority coverage and the second priority coverage, if applicable, are exhausted due to the extent of compensatory damages, then the uninsured motorist bodily injury coverage provided by a policy under which the **insured** is covered other than as a named insured shall be applicable as excess coverage to the first priority coverage and the second priority coverage, provided that if the **insured** is covered by more than one such policy, then only the policy with the highest limits of uninsured motorist bodily injury coverage shall apply. If two or more policies provide the highest limit, all such policies will share the **loss** equally;

   If two or more coverage forms, policies or provisions of coverage in the second or third priority provide the highest limit of uninsured motorists bodily injury coverage, they will equally share the **loss** applicable to that priority. No coverage forms, policies or provisions of coverage with lesser limits of uninsured motorists bodily injury coverage will apply to the second or third priority.

However, in no instance may the **insured** receive total benefits from all policies providing first, second, and third priority coverage in an amount greater than the limits of the policy providing the highest limits of uninsured motorist coverage.

ARBITRATION

A. If **we** and an **insured** disagree whether the **insured** is legally entitled to recover damages from the owner or operator of an **uninsured motor vehicle**, or do not agree as to the amount of damages that are recoverable by that **insured**, then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated and shall be decided by a court of competent jurisdiction.

B. If a tentative settlement is made between an **insured** and the insurer, **owner** or operator of the **uninsured motor vehicle** for the full limits of all liability policies or bonds available to the party on whose behalf the tentative settlement is made, and:

   1. **We** receive written notice from the **insured**, sent certified mail return receipt requested or by some other method with written verification, of the **insured's**:

      a. Intent to accept the offer thereby releasing the party on whose behalf the offer is made; and

      b. Agreement to submit the uninsured motorists claim to binding arbitration;

   2. **We** receive written notice from the insurer of the **uninsured motor vehicle**, sent certified mail return receipt requested or by some other method with written verification of the offer, and such insurer:

      a. Provides verification of coverage upon request; and

      b. Confirms to **us** that the **owner** or operator of the **uninsured motor vehicle** agrees to cooperate in connection with the arbitration of the uninsured motorists claim.

   3. **We** consent to the tentative settlement in writing, sent certified mail return receipt requested or by some other method with written verification, within thirty (30) days from receipt of both notices described in Paragraphs 1. and 2. above, thereby waiving **our** right to recover payment from the **owner** or operator of an **uninsured motor vehicle** in exchange for their written agreement to cooperate in connection with the arbitration; then all issues of tort liability and damages arising out of the **ownership**, maintenance or use of the **uninsured motor vehicle** shall be arbitrated. However, if the settlement does not release all parties alleged to be liable to the **insured**, arbitration of the uninsured motorists claim shall not be conducted until all such parties have been fully and finally disposed by settlement, final judgment or otherwise.

C. **We** and an **insured** must agree to arbitration and to be bound by the results of that arbitration. In this event, both parties will agree on an arbitrator. If they cannot agree, either party may request that a judge of a court of record for the county where arbitration is pending, designate three (3) potential arbitrators, the parties shall then agree upon one of the three.

D. Unless **we** and an **insured** agree otherwise, arbitration will be in the county in which the **insured** lives. Rules of evidence applicable to the **state** courts where the arbitration is conducted will apply.

E. The arbitrator's expense will be paid by:

   1. The **insured,** if the arbitrator's award is less than or equal to the total amount collected by the **insured** from settlements or judgments, if any, and the offer made by **us** at least 15 days prior to arbitration; or

   2. **Us**, if the arbitrator's award exceeds the total amount collected by the **insured** from settlements or judgments, if any, and the offer made by **us** at least 15 days prior to arbitration.

STATUTE OF LIMITATIONS

Determination as to whether an **insured** is legally entitled to recover damages and as to the amount of damages will be made by agreement between the **insured** and **us**. If no agreement is reached, any lawsuit against **us** for benefits under this policy for uninsured motorist bodily injury coverage must be commenced within one (1) year after the date the **accident** occurred.

PART C (II) > UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE

INSURING AGREEMENT

A. Subject to the limit of liability shown on the **Declarations Page**, if **you** pay **us** the premium for Uninsured Motorist Property Damage Coverage, then **we** will pay compensatory damages for which an **insured** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of **property damage**:

   1. To a **covered auto** for which Uninsured Motorist Property Damage has been purchased;

   2. Caused by an **accident**; and

   3. Arising out of the **ownership**, maintenance or use of an **uninsured motor vehicle**.

   We will not pay for **punitive or exemplary damages**.

B. **We** will pay under this PART C (II) only after the limits of liability under any applicable **property damage** liability policies, self-insurance and bonds have been exhausted by payment of judgments or settlements.

C. **We** are not bound by any settlement entered into without **our** consent.

D. **We** are not bound by any judgment for damages that arises out of a lawsuit brought without **our** prior written consent.

CHILD RESTRAINTS

In the event of a **loss** to which Uninsured Motorist Property Damage Coverage applies and **we** determine the integrity of a child safety seat or restraint system is compromised, **we** will pay up to $250 to replace it with a child safety seat or restraint system of like kind and quality, provided:

1. It was in the **covered auto** at the time of the **accident**; and
2. Uninsured Motorist Property Damage Coverage applies due to the liability of the **owner** or operator of the **uninsured motor vehicle**.

ADDITIONAL DEFINITIONS FOR PART C (II) > UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE

As used in this PART C (II):

A. **"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; decals or graphics. **Customized equipment and parts** 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. The **customized equipment and parts** must be permanently installed in a **covered auto** using bolts, brackets or slide-out brackets.

B. **"Insured"** means **you,** and if **you** are a natural person, a **family member**.

C. **"Original equipment manufacturer"** and **"OEM"** mean parts or items:

   1. Produced and/or installed by the manufacturer of the **auto**; or
   2. Produced by a vendor of the manufacturer of the **auto** that the manufacturer intends as a part of the **auto** or manufacturer's option when new.

D. **"Property damage"** means physical damage to, or destruction of, a **covered auto** for which this coverage has been purchased. **"Property damage"** does not include loss of use.

E. **"Uninsured motor vehicle"** means a land motor vehicle or **trailer** of any type:

   1. To which no **property damage** liability bond or policy applies at the time of the **accident**.
   2. Which is a hit-and-run vehicle whose operator or **owner** cannot be identified and which makes actual physical contact with a **covered auto** or causes an **accident** without hitting a **covered auto**.

      If there is no physical contact with the hit-and-run vehicle:

      i. the facts of the **accident** must be corroborated by clear and convincing evidence, other than evidence provided by occupants of the **insured auto,** and

      ii. the **insured,** or someone on his or her behalf, must report the accident to the police or civil authority within a reasonable time after the **accident**, and

      iii. the **insured** must not be negligent in failing to determine the identity of the vehicle and the operator or **owner** of the vehicle, at the time of the **accident.**

   3. To which a **property damage** 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.

   4. To which a **property damage** liability bond or policy applies at the time of the **accident** but the sum of all applicable limits of liability for **property damage** is less than the coverage limit for Uninsured Motorist Property Damage Coverage shown on the **Declarations Page** or has been reduced by payments to persons other than the **insured** involved in the same **loss** to an amount which is less than the Limit of Liability for this coverage.

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

1. **Owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent;
2. Designed mainly for use off public roads while not on public roads;
3. While located for use or being used as a residence or premises;
4. **Owned** by, furnished to or available for the regular use of **you**, and if **you** are a natural person, any **family member**.
5. Which is shown on the **Declarations Page** or which is covered under PART A of this Policy;

ADDITIONAL DUTIES FOR PART C (II) > UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE

A person seeking coverage under PART C (II) > UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE must also, in addition to the **GENERAL DUTIES**:

1. Promptly report any **accident** or **loss** to the police or other local law enforcement.
2. Notify the police within twenty-four (24) hours or as soon as practical after an **accident** that involves a hit-and-run vehicle or unknown driver.
3. Report the **accident** to **us** within thirty (30) days of the **accident**.
4. Serve a copy of any legal action and all pleadings on **us** as required by law.
5. Send **us** copies of legal papers if a lawsuit is commenced.
6. Promptly notify **us** in writing of an offer of settlement between the **insured** and the **owner**, operator or insurer of the **uninsured motor vehicle**.
7. Allow **us** thirty (30) days after notice of an offer of settlement to advance payment to that **insured** in an amount equal to the offer to preserve all of **our** rights against the **owner**, operator and insurer of any **underinsured motor vehicle**.

   If **we** advance payment to the **insured** in an amount equal to the tentative settlement within 30 days after receipt of notification:

   a. That payment will be separate from any amount the **insured** is entitled to recover under the provisions of Uninsured Motorists Property Damage Coverage; and

   b. **We** also have a right to recover the advance payment, unless judgment is rendered in favor of the **owner** or operator of an **uninsured motor vehicle**.
8. Give **us** proof that the limits of liability under any liability policies that apply to an **underinsured motor vehicle** have been exhausted by payment of judgments or settlements.
9. Take reasonable steps after a **loss** to protect all property insured under PART C (II) from further **loss**. **We** will pay reasonable expenses incurred to protect that property. Any further **loss** due to failure to protect will not be covered under this Policy.
10. Permit **us** to inspect and appraise all **loss** covered under PART C (II) before its repair or disposal.
11. Authorize **us** to move the damaged **auto** or **your trailer** to a storage facility of **our** choice at **our** expense.

EXCLUSIONS

PLEASE READ THE EXCLUSIONS CAREFULLY. IF ANY EXCLUSION APPLIES, COVERAGE WILL NOT BE PROVIDED FOR AN ACCIDENT OR LOSS THAT OTHERWISE WOULD BE COVERED UNDER THIS POLICY.

A. **We** do not provide Uninsured Motorist Property Damage Coverage for **property damage** sustained by any **insured**:

   1. If the **insured** or his or her legal representative, without advance written notice to **us**, either:

      a. Settles the **property damage** claim; or

      b. Brings suit and obtains a judgment related to the **property damage** claim;

   2. For which insurance:

      a. Is afforded under a nuclear energy liability policy; or

      b. Would be afforded 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.

   3. While the **covered auto** is engaged in **racing**.
   4. Caused by or any consequence of:

      a. War, whether declared or undeclared;

      b. Civil war;

      c. Insurrection;

      d. Rebellion or revolution;

      e. Radioactive contamination; or

      f. Nuclear reaction or radiation, whether controlled or uncontrolled or however caused.

   5. For damage to any **trailer**.
   6. For The first $200 of the amount of **property damage** to the property of each **insured** as the result of any one accident.

      This exclusion does not apply if:

      a. We insure the **named insured's covered auto** for both collision and uninsured motorists property damage coverage; and

      b. The operator of the **uninsured motor vehicle** is positively identified and is solely at fault for the **loss**.

7. **Property damage** for which an **insured** has been or is entitled to be compensated by other property or physical damage insurance.

B. **We** do not provide coverage for **property damage** arising out of the **ownership**, maintenance, or use of:

1. Any vehicle which is not insured for Uninsured Motorist Property Damage Coverage under this Policy, that is:

a. **Owned** by **you**; or

b. Furnished or available for **your** regular use.

This includes a **trailer** of any type used with that vehicle.

2. Any vehicle which is not insured for Uninsured Motorist Property Damage Coverage under this Policy that is:

a. **Owned** by any **family member**; or

b. Furnished or available for the regular use of any **family member**.

C. Coverage under this PART C (II) will not apply directly or indirectly to benefit any insurer or self-insurer of property.

D. **We** will not be bound by:

1. Any settlement entered into without **our** consent; or

2. Judgment entered into with a party who is liable for damages without **our** consent.

LIMIT OF LIABILITY

A. The Uninsured Motorist Property Damage limit of liability shown on the **Declarations Page** is the most **we** will pay for all **property damage** sustained in any one **accident**. In the event **we** make payment for Uninsured Motorist Property Damage, such payment will not exceed the lowest of the:

1. **Actual cash value** of the damaged property at the time of the **accident** or **loss**, reduced by:

a. The applicable deductible shown on the **Declarations Page**; and

b. Its salvage value if **you** or the **owner** retain the salvage.

2. Amount necessary to repair the physical damage to the **covered auto**, or its parts if the **loss** is limited to parts, to return it to its pre-**loss** physical condition, reduced by the applicable deductible shown on the **Declarations Page**;

3. Amount necessary to replace the stolen or damaged property, or its parts if the **loss** is limited to parts, reduced by:

a. The applicable deductible shown on the **Declarations Page**; and

b. Its salvage value if **you** or the **owner** retain the salvage; or

4. The limit of Uninsured Motorist Property Damage shown on the **Declarations Page**.

However, **our** limit of liability under this PART C (II) > UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE may never exceed $1000 for **customized equipment and parts** unless **you** purchase Additional Customized Equipment and Parts Coverage.

B. There will be no adding, stacking or combining of coverage. The limit of liability for Uninsured Motorist Property Damage shown on the **Declarations Page** is the most **we** will pay for all **property damage** sustained in any one **accident** without regard to the number of:

1. **Insureds**, heirs or survivors;

2. Claimants;

3. Claims made;

4. Lawsuits filed;

5. Vehicles shown on the **Declarations Page**;

6. Premiums shown on the **Declarations Page**;

7. Vehicles involved in the **accident**;

8. Premiums paid; or

9. Policies issued by **us**.

C. A deduction for **depreciation** and betterment will be made from the amount **we** will pay for repair or replacement of the **covered auto**, or any part thereof, if the repair or replacement results in better property or in a better part with regard to:

1. Its market value;

2. The useful life of the part; or

3. The improvement of the condition of the **auto** considering wear and tear and damage that existed prior to the **loss**.

Our adjustment to the amount payable by **us** due to betterment or depreciation on parts replaced includes, but is not limited to:

1. Batteries;

2. Tires;

3. Engines;

4. Transmissions; and

5. Any other parts that wear out over time or have a finite useful life or duration typically shorter than the life of the **auto** as a whole. This does not include external crash parts, wheels, windshields or other glass.

D. In repairing damaged property, **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. Warranties applicable to non-**OEM** parts may be provided by the manufacturer or distributor of these parts rather than the manufacturer of the **covered auto**. If **we** specify the use of non-**OEM** parts, **we** will identify each such part on **your** repair estimate.

E. In determining the amount necessary to repair the damaged parts, **we** will not pay more than the prevailing competitive labor rates charged in the area in which the property is to be repaired. **We** will also not pay more than the cost of repair or replacement parts as reasonably determined by **us**. **Our** liability for the cost of repairing damaged property is limited to the amount needed to perform physical repairs to the stolen or damaged property.

F. In the event of a total **loss** to an **auto** listed on the **Declarations Page**, **you**, or someone on **your** behalf, must provide **us** the key to such **auto** at **our** request. If **we** are not provided the key to such **auto**, **we** will reduce any amount payable to **you** by $250 because of:

1. The cost in duplicating the key; or
2. The loss in salvage value.

This provision will not apply if **you** retain the salvage.

G. Payments for **loss** covered under this PART C (II) are subject to the terms set forth here:

1. No more than one deductible shall be applied to any one covered **loss**.
2. In determining the amount necessary to repair damaged property to its pre-**loss** condition, the amount to be paid by **us** will be based on the cost of repair or on the cost of replacement parts and equipment which may be new, reconditioned, remanufactured or used including, but not limited to:
   a. Original manufacturer parts or equipment; and
   b. Non-**OEM** parts or equipment.
3. The **actual cash value** is determined by the market value, age and condition of the **covered auto** at the time the **loss** occurs.
4. Duplicate recovery for the same elements of **loss** is not permitted. No one will be entitled to receive duplicate payments for the same elements of **loss** under this coverage and:
   a. Any other coverage provided by this Policy; or
   b. Under any other insurance or source of recovery.

H. **We** have no duty to pay the **actual cash value** of window glass or to replace window glass after a **loss** if **you** agree to have the window glass repaired at **our** expense.

I. No one will be entitled to receive duplicate payments for the same elements of damages or **loss** under this coverage for which payment has been made:

1. Under any other coverage provided by this Policy;
2. By or on behalf of the person or organization that may be legally responsible; or
3. Under any other insurance or source of recovery.

J. After an **accident** to which PART C (II) applies, **we** will pay reasonable charges, as determined by **us**, for transporting and storing a **covered auto** to a repair facility near the location of **loss**. **We** will only pay up to three (3) days of reasonable storage charges incurred arising out of the **loss** and incurred before the claim is reported to **us**. However, in the event of a total **loss** to an **auto** listed on the **Declarations Page**, any storage charges owed will be reduced by the **actual cash value** of the **covered auto**.

K. Any payment to a person under this PART C (II) > UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE shall be reduced by any payment made to that person under PART D > COVERAGE FOR DAMAGE TO YOUR AUTO.

PAYMENT OF LOSS

A. At **our** option, **we** may pay for the **loss** in money or repair or replace the **property damage**.

B. **We** may make payment for a **loss** to **you**, the owner of the property or the lienholder.

C. If **we** make a payment for a total **loss** of a **covered auto**, **you** must transfer the title of that **auto** to **us** at or before the time of payment, unless **you** keep the salvage of the totaled **covered auto**.

D. A party with an additional interest in a **covered auto** shall have no greater rights than **your** rights to recover for a **loss**.

PERMISSION TO RELEASE VEHICLE

This Policy allows **us** to act as an agent on **your** behalf in the event a **covered auto** is non-drivable and incurring storage and/or any additional **accident** related expenses thus conferring authority for **us** to move the **covered auto** to a secure, storage free inspection facility.

OTHER INSURANCE

A. If an **insured** sustains **property damage**:

1. while not occupying a **covered auto**, the insurance on the **auto** under which the **insured** is insured with the highest limits of uninsured motorist property damage coverage shall apply, and no other uninsured motorist property damage coverage shall apply. In no instance shall uninsured motorist property damage coverage from more than one policy be available as primary coverage. If two or more policies provide the highest limit, all such policies will share the **loss** equally;

2. while **occupying** a **covered auto owned** by that **insured**, only the limits of uninsured motorist property damage coverage on the **auto** in which the **insured** is an occupant shall apply. The limits of uninsured motorist property damage coverage shall not be increased because of multiple **autos**, whether covered under a single policy or multiple policies, and in no event shall the total amount of recovery from all policies and bonds, including any amount recovered under the **insured's** uninsured motorist property damage coverage, exceed the limits of the **insured's** uninsured motorist property damage coverage;

3. while **occupying** an **auto** not **owned** by that **insured**, the following priorities of recovery under uninsured motorist coverage apply:

   a. first priority coverage: the uninsured motorist property damage coverage on the **auto** in which the **insured** was an occupant shall be the primary uninsured motorist property damage coverage;

   b. second priority coverage: if the first priority coverage is exhausted due to the extent of compensatory damages, then the uninsured motorist property damage coverage provided by a policy under which the **insured** is a named insured shall be applicable as excess coverage to the first priority coverage, provided that if the **insured** is covered as a named insured under more than one policy, then only the policy with the highest limits of uninsured motorist property damage coverage shall apply. If two or more policies provide the highest limit, all such policies will share the **loss** equally;

   c. third priority coverage: if the first priority coverage and the second priority coverage, if applicable, are exhausted due to the extent of compensatory damages, then the uninsured motorist property damage coverage provided by a policy under which the **insured** is covered other than as a named insured shall be applicable as excess coverage to the first priority coverage and the second priority coverage, provided that if the **insured** is covered by more than one such policy, then only the policy with the highest limits of uninsured motorist property coverage shall apply. If two or more policies provide the highest limit, all such policies will share the **loss** equally;

   If two or more coverage forms, policies or provisions of coverage in the second or third priority provide the highest limit of Uninsured Motorists Property Damage Coverage, they will equally share the **loss** applicable to that priority. No coverage forms, policies or provisions of coverage with lesser limits of Uninsured Motorists Property Damage Coverage will apply to the second or third priority.

B. However: in no instance may the **insured** receive total benefits from all policies providing first, second, and third priority coverage in an amount greater than the limits of the policy providing the highest limits of uninsured motorist coverage.

ARBITRATION

A. If **we** and an **insured** disagree whether the **insured** is legally entitled to recover damages from the **owner** or operator of an **uninsured motor vehicle**, or do not agree as to the amount of damages that are recoverable by that **insured**, then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated and shall be decided by a court of competent jurisdiction.

B. If a tentative settlement is made between an **insured** and the insurer, **owner** or operator of the **uninsured motor vehicle** for the full limits of all liability policies or bonds available to the party on whose behalf the tentative settlement is made, and:

1. **We** receive written notice from the **insured**, sent certified mail return receipt requested or by some other method with written verification, of the **insured's**:

   a. Intent to accept the offer thereby releasing the party on whose behalf the offer is made; and

   b. Agreement to submit the uninsured motorists claim to binding arbitration;

2. **We** receive written notice from the insurer of the **uninsured motor vehicle**, sent certified mail return receipt requested or by some other method with written verification of the offer, and such insurer:

   a. Provides verification of coverage upon request; and

   b. Confirms to **us** that the **owner** or operator of the **uninsured motor vehicle** agrees to cooperate in connection with the arbitration of the uninsured motorists claim.

3. **We** consent to the tentative settlement in writing, sent certified mail return receipt requested or by some other method with written verification, within thirty (30) days from receipt of both notices described in Paragraphs 1. and 2. above, thereby waiving **our** right to recover payment from the **owner** or operator of an **uninsured motor vehicle** in exchange for their

written agreement to cooperate in connection with the arbitration; then all issues of tort liability and damages arising out of the **ownership**, maintenance or use of the **uninsured motor vehicle** shall be arbitrated. However, if the settlement does not release all parties alleged to be liable to the **insured**, arbitration of the uninsured motorists claim shall not be conducted until all such parties have been fully and finally disposed by settlement, final judgment or otherwise.

C. **We** and an **insured** must agree to arbitration and to be bound by the results of that arbitration. In this event, both parties will agree on an arbitrator. If they cannot agree, either party may request that a judge of a court of record for the county where arbitration is pending, designate three (3) potential arbitrators, the parties shall then agree upon one of the three.

D. Unless **we** and an **insured** agree otherwise, arbitration will be in the county in which the **insured** lives. Rules of evidence applicable to the state courts where the arbitration is conducted will apply.

E. The arbitrator's expense will be paid by:

1. The **insured,** if the arbitrator's award is less than or equal to the total amount collected by the **insured** from settlements or judgments, if any, and the offer made by **us** at least 15 days prior to arbitration; or
2. **Us**, if the arbitrator's award exceeds the total amount collected by the **insured** from settlements or judgments, if any, and the offer made by **us** at least 15 days prior to arbitration.

STATUE OF LIMITATIONS

Determination as to whether an **insured** is legally entitled to recover damages and as to the amount of damages will be made by agreement between the **insured** and **us**. If no agreement is reached, any lawsuit against **us** for benefits under this policy for Uninsured Motorist Property Damage Coverage must be commenced within three (3) years after the date the accident occurred.

PART D > COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

A. If **you** pay **us** the premium for this coverage and a stated amount is shown on the **Declarations Page** for the **covered auto** and its permanently attached equipment which has been installed by the factory, dealer or retailer, **we** will pay for **loss** caused by:

1. **Collision** only if the **Declarations Page** indicates that Collision Coverage is provided for that **auto**; or
2. **Comprehensive** only if the **Declarations Page** indicates that Comprehensive Coverage is provided for that **auto**; or
3. **Fire and Theft with Combined Additional Coverage** only if the **Declarations Page** indicates that Fire and Theft with Combined Additional Coverage is provided for that **auto**.

Our payment will be reduced by the applicable deductible shown on the **Declarations Page**.

B. If **you** pay **us** the premium for this coverage and there is no stated amount shown on the **Declarations Page** for the **covered auto**, **we** will pay for **loss** caused by:

1. **Collision** only if the **Declarations Page** indicates that Collision Coverage is provided for that **auto**; or
2. **Comprehensive** only if the **Declarations Page** indicates that Comprehensive Coverage is provided for that **auto**; or
3. **Fire and Theft with Combined Additional Coverage** only if the **Declarations Page** indicates that Fire and Theft with Combined Additional Coverage is provided for that **auto**.

Our payment will be reduced by the applicable deductible shown on the **Declarations Page**.

CUSTOMIZED EQUIPMENT AND PARTS COVERAGE

A. If **you** pay **us** the premium for Customized Equipment and Parts Coverage and it is shown on the **Declarations Page** or on the applicable schedule, the limit of liability for **loss** to the **customized equipment and parts** specifically listed on the Application or on the applicable schedule will be the lowest of:

1. The **actual cash value** of such **customized equipment and parts** reduced by the applicable deductible shown on the **Declarations Page** and its salvage value if **you** or the owner retain the salvage.
2. The amount shown as the declared value of the **customized equipment and parts** on the Application or applicable schedule reduced by the applicable deductible shown on the **Declarations Page** and its salvage value if **you** or the owner retain the salvage.
3. The amount necessary to repair the **customized equipment and parts**, reduced by the applicable deductible shown on the **Declarations Page**.
4. The amount necessary to replace the **customized equipment and parts**, reduced by the applicable deductible shown on the **Declarations Page** and reduced by its salvage value if **you** or the owner retain the salvage.

B. Customized Equipment And Parts Coverage applies only if:

1. **You** have purchased Collision Coverage for the **covered auto** containing the **customized equipment and parts** and the **loss** falls under that coverage;

2. **You** have purchased Comprehensive Coverage for the **covered auto** containing the **customized equipment and parts** and the **loss** falls under that coverage; or

3. **You** have purchased Fire and Theft with Combined Additional Coverage for the **covered auto** containing the **customized equipment and parts** and the **loss** falls under that coverage.

TRANSPORTATION EXPENSE COVERAGE

A. **We** will pay Transportation Expense Coverage up to $30 per day, not to exceed $900, for temporary transportation expenses incurred by **you** because of the total theft of a **covered auto**. Transportation expenses apply only if:

   1. They are incurred from a commercially licensed rental agency; and

   2. The **Declarations Page** indicates that Comprehensive Coverage or Fire and Theft with Combined Additional Coverage apply to that **auto**.

B. **We** will only pay transportation expenses incurred during the period:

   1. Beginning forty-eight (48) hours after **you** report the theft of a **covered auto** to **us** and the police; and

   2. Ending the earlier of:

      a. When a **covered auto** is returned to use;

      b. When a **covered auto** has been recovered and returned to **you** or its **owner**;

      c. When a **covered auto** has been recovered and repaired;

      d. When a **covered auto** has been replaced;

      e. Seventy-two (72) hours after **we** make an offer to pay for the **loss** if the **covered auto** is deemed by **us** to be a total **loss** or unrecoverable; or

      f. When **you** have incurred the maximum $900 expense limit.

PET PROTECTION

A. If **you** pay **us** the premium for **Collision Coverage, Comprehensive Coverage** or **Fire and Theft with Combined Additional Coverage** than if **your pet** is **occupying** a **covered auto** involved in a covered **collision**, **comprehensive** or **fire and theft with combined additional coverage loss**, **we** will provide up to:

   1. $1000 per incident, regardless of the number of **your pets** involved, up to $3,000 per policy period for **pet injury treatment** or **pet replacement**;

   2. $25 per day up to $125 per policy period for boarding fees if **you** are hospitalized and unable to care for **your pet**;

   3. $75 per policy period for recovery costs if **your pet** is missing after the **accident**; and

   4. $125 per policy period for replacing pet-related travel equipment damaged in the **accident**.

B. Any payment **we** make for **pet replacement** will be reduced by any prior payments **we** made for **pet injury treatment** for **your pet** resulting from the same incident. No deductible applies to this coverage.

SUPPLEMENTARY PAYMENTS

In addition to **our** limit of liability, **we** will pay:

A. Towing expenses which **we** consider reasonable, not to exceed $2,000 per **loss**, to remove a **covered auto** that is non-drivable from the site of an **accident** or **loss** and transport it to a repair facility. This applies only if the **Declarations Page** indicates that Collision Coverage, Comprehensive Coverage or Fire and Theft with Combined Additional Coverage applies to that **auto**.

B. Storage expenses up to $25 per day, not to exceed $375 per **loss**, for storage charges. This applies only if Collision Coverage, Comprehensive Coverage or Fire and Theft with Combined Additional Coverage applies to that **auto**.

ADDITIONAL DEFINITIONS - PART D > COVERAGE FOR DAMAGE TO YOUR AUTO

When used in this PART D:

A. **"Collision"** means when a **covered auto** collides with another object or overturns.

B. **"Comprehensive"** and **"Other Than Collision"** mean **loss** caused by:

   1. Missiles or falling objects;

   2. Fire or lightning;

   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. Impact with a bird or animal; or

   10. Breakage of glass, except breakage of glass caused by a **collision**.

C. **"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; decals or graphics. **Customized equipment and parts** 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. The **customized equipment and parts** must be permanently installed in a **covered auto** using bolts, brackets or slide-out brackets.

D. **"Finance agreement"** means a written lease or loan contract, entered into, as a part of **your** business pertaining to the lease or purchase by **you** of a **covered auto** and subject to a valid promissory note or written payment obligation contained in a lease, and security agreement or other written agreement establishing a security interest, executed concurrently with the purchase or lease of the **covered auto**.

E. **"Fire and Theft with Combined Additional Coverage"** means **loss** caused by:

1. Fire or lightning;
2. Smoke or smudge due to a sudden, unusual, and faulty operation of any fixed heating equipment serving the premises on which a **covered auto** is located;
3. The stranding, sinking, burning, collision, or derailment of any conveyance in or upon which a **covered auto** is being transported;
4. Windstorm, hail, earthquake, explosion, flood or rising waters;
5. The forced landing or falling of any aircraft or its parts or equipment;
6. External discharge or leakage of water except **loss** resulting from rain, snow, sleet, whether or not wind-driven;
7. Malicious mischief or vandalism;
8. Theft, larceny, robbery, or pilferage; or
9. Impact with a bird or animal.

No **losses** other than those specifically described above will be covered under **Fire and Theft with Combined Additional Coverage.**

F. **"Original equipment manufacturer"** and **"OEM"** mean parts or items:

1. Produced and/or installed by the manufacturer of the **auto**; or
2. Produced by a vendor of the manufacturer of the **auto** that the manufacturer intends as a part of the **auto** or manufacturer's option when new.

G. **"Pet injury treatment"** means reasonable and customary veterinary costs incurred by **you** or a **family member** for treatment of **your pet** that is injured in a covered **loss** while **occupying** a **covered auto**. Reasonable and customary veterinary costs include any medications or procedures prescribed by a veterinarian.

H. **"Pet replacement"** means the cost to replace **your pet** with one of like kind and quality, if **your pet**:

1. Dies as the result of a covered **loss**; or
2. Is **occupying** the **covered auto** during a covered total theft **loss** and **your pet** is not recovered.

This does not include any training, grooming, veterinary bills, or any other expenses other than the cost to replace the pet itself.

I. **"Your pet"** means a dog or cat owned by **you** or a **family member**.

EXCLUSIONS

PLEASE READ THE EXCLUSIONS CAREFULLY. IF ANY EXCLUSION APPLIES, COVERAGE WILL NOT BE PROVIDED FOR AN ACCIDENT OR LOSS THAT OTHERWISE WOULD BE COVERED UNDER THIS POLICY.

A. **We** will not pay for:

1. **Loss**:
   a. Caused intentionally by, or at the direction of, **you** or any **family member**; or
   b. That is, or should be, reasonably expected to result from an intentional act of **you** or any **family member**;

   even if the actual **loss** or damage is different than that which was intended.
2. **Loss** arising out of the **ownership**, maintenance or use of a vehicle while it is being used to **carry persons or property for compensation or a fee** or as a public or livery conveyance, unless **you** have indicated to **us** in **your** Application that a **covered auto** is used for this purpose. This includes **loss** arising out of the ownership, maintenance or use of a vehicle for any period of time while such vehicle is being used by any **insured** who is logged into a **transportation network platform** as a driver, whether or not a passenger is **occupying** the vehicle. This exclusion does not apply to shared-expense car pools whose members are on the way to or from the same place of employment.
3. **Loss** to portable equipment, sound equipment, video equipment, transmitting equipment, devices, accessories and any other personal effects that are not permanently installed. This includes, but is not limited to:
   a. Tapes, records, compact discs, DVDs or other recording or recorded media;
   b. Any containers designed to carry or store tapes, records, compact discs, DVDs or other recording or recorded media;
   c. Personal computers, telephones, DVD players, two-way mobile radios or televisions; or
   d. Any other accessories used with electronic equipment designed to receive or transmit audio, visual or data signals.

4. **Loss** to equipment designed or used for the detection or location of radar, laser or other speed measuring equipment or its transmission.
5. **Loss** to camper units or other detachable living quarter units.
6. **Loss** to pickup covers, caps or shells not permanently attached to a **covered auto**.
7. **Loss** to equipment such as booms, drill rigs, welders, winches or hazard lights not permanently attached to a **covered auto**.
8. **Loss** to chains, tarpaulins, binders, cargo securing devices, lifts or removable sides that are not permanently installed.
9. **Loss** to any custom paint work or body work, including lettering and decals.
10. Damage due and confined to:
    a. Wear and tear;
    b. Freezing;
    c. Mechanical, electronic or electrical breakdown or failure;
    d. Deterioration, rust or corrosion; or
    e. Blowouts, punctures or other road damage to tires.

    This exclusion does not apply if the damage results from the total theft of a **covered auto** to which Comprehensive Coverage or Fire and Theft with Combined Additional Coverage under this Policy applies.
11. **Loss** to a **covered auto** being maintained or used by any person while employed or otherwise engaged in any **motor vehicle business** unless that business is **yours** and it was so represented in **your** Application.
12. **Loss** to wearing apparel, tools or personal effects.
13. **Loss** that occurs while a **covered auto** is being used in any illicit trade or transportation or in the course of committing a **crime**. This does not apply to **loss** that occurs when the **covered auto** has been stolen.
14. **Loss** due to the use of a **covered auto** for transportation of any explosive substance, flammable liquid, or similarly hazardous material.
15. **Loss** to a **covered auto** while such **auto** is engaged in **racing**.
16. **Loss** to a **covered auto** while it is subject to any bailment lease, mortgage or other encumbrance not specifically declared and described in this Policy.
17. **Loss** to a **trailer you own** that is not shown on the **Declarations Page**.
18. **Loss** to a **covered auto** while in anyone else's possession under a written **trailer** exchange agreement provided that this exclusion shall not apply to a loss payee. If **we** pay the loss payee, **you** must reimburse **us** for payment.
19. **Loss** due to theft, larceny or conversion of a **covered auto** or its equipment:
    a. By **you**, a **family member**, any other persons listed as a driver on the **Declarations Page** or an **employee**;
    b. Where there is no visible sign of forced entry into the **covered auto**; or
    c. Prior to its delivery to **you**.
20. **Loss** to a **covered auto** due to or as a consequence of:
    a. Destruction, seizure or confiscation by government or civil authorities including, but not limited to, destruction, seizure, or confiscation by any federal or state law enforcement officer in connection with any violation of any controlled substances law for which **you** are convicted; or
    b. Repossession by any entity acting on behalf of the **owner** of the **covered auto**.

    This exclusion does not apply to the interests of loss payees in a **covered auto**. If **we** pay the loss payee, **you** must reimburse **us** for payment.
21. Damage 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.
22. **Loss** 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. This includes 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.

23. **Loss** caused by or as any consequence of:
    a. War, whether declared or undeclared;
    b. Civil war;
    c. Insurrection;
    d. Rebellion or revolution;
    e. Radioactive contamination; or
    f. Nuclear reaction or radiation, whether controlled or uncontrolled or however caused.
24. **Loss** to a **covered auto** while being used in any manner by an **undisclosed operator**.
25. **Loss** to a **covered auto** while being used in any manner by any person who is specifically excluded from coverage under this Policy by the **named insured**, if the **named insured** is an individual, or by an authorized representative if the **named insured** is an organization.
26. **Loss** to a **covered auto** or its equipment prior to its delivery to **you**.
27. Damage due and confined to:
    a. Prior **loss** or damage;
    b. Manufacturer's defects or faulty materials; or
    c. **Your** lack of routine and/or proper maintenance as prescribed by the manufacturer.
28. **Loss** resulting from the purchase of a **covered auto** from any person or organization other than the **auto's** rightful **owner**.
29. Amounts incurred for:
    a. Mileage;
    b. Fuel;
    c. **Collision** damage waiver;
    d. Navigation devices;
    e. Insurance; or
    f. Tolls.
30. **Loss** to a **covered auto** that occurs while it is being used in a **personal vehicle sharing program**.
31. **Loss** arising out of the operation of a **covered auto** by any driver not meeting legal age requirements to operate a vehicle in the state in which the **covered auto** is principally garaged.
32. **Diminution in value.**

B. **We** do not provide coverage for **loss** arising out of the **ownership**, maintenance or use of:
    1. Any vehicle that has less than four wheels or which is designed for use mainly off public roads such as any type of all-terrain or quad vehicle, dune buggy, go-cart, or golf cart. This exclusion does not apply to **your trailer**.
    2. A **covered auto** that:
        a. Has been rented, leased, subleased, loaned or given by **you** or a **family member** to another party in exchange for money, value, goods, services, compensation or reimbursement;
        b. Has been given in exchange for compensation;
        c. Is under a conditional sales agreement by **you** to another; or
        d. Has been entrusted to anyone other than **you** or a **family member** for consignment; sale; promoting sale; subleasing; leasing; renting; or selling and is no longer in **your** possession.

LIMIT OF LIABILITY

A. **Our** limit of liability for **loss** shall not exceed the lowest of the:
    1. **Actual cash value** reduced by:
        a. The applicable deductible shown on the **Declarations Page**; and
        b. Its salvage value if **you** or the **owner** retain the salvage;
    2. Amount necessary to replace the stolen or damaged property, or its parts if the **loss** is limited to parts, reduced by:
        a. The applicable deductible shown on the **Declarations Page**; and
        b. Its salvage value if **you** or the **owner** retain the salvage;
    3. Amount necessary to repair the physical damage to the **covered auto**, or its parts if the **loss** is limited to parts, to return it to its pre-loss physical condition, reduced by the applicable deductible shown on the **Declarations Page**; or
    4. Stated amount shown on the **Declarations Page**, if any

B. A deduction for **depreciation** and betterment will be made from the amount **we** will pay for repair or replacement of the damaged or stolen property, or any part thereof, if the repair or replacement results in better property or in a better part with regard to:
    1. Its market value;
    2. The useful life of the part; or
    3. The improvement of the condition of the **auto** considering wear and tear and damage that existed prior to the **loss**.

    Our adjustment to the amount payable by **us** due to betterment or **depreciation** on parts replaced includes, but is not limited to:

1. Batteries;
2. Tires;
3. Engines;
4. Transmissions; and
5. Any other parts that wear out over time or have a finite useful life or duration typically shorter than the life of the **auto** as a whole. This does not include external crash parts, wheels, windshields or other glass.

C. An adjustment for **depreciation** and betterment will be made in determining **actual cash value** in the event of a total **loss**.

D. In repairing damaged property, **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. Warranties applicable to non-**OEM** parts may be provided by the manufacturer or distributor of these parts rather than the manufacturer of the **covered auto**. If **we** specify the use of non-**OEM** parts, **we** will identify each such part on **your** repair estimate.

E. In determining the amount necessary to repair the damaged parts, **we** will not pay more than the prevailing competitive labor rates charged in the area in which the property is to be repaired. **We** will also not pay more than the cost of repair or replacement parts as reasonably determined by **us**. **Our** liability for the cost of repairing damaged property is limited to the amount needed to perform physical repairs to the stolen or damaged property.

F. If there is a stated amount **you** declared on the Application or endorsement for a specific **auto** shown on the **Declarations Page**, that stated amount is the most **we** will pay for **loss** to that **auto**, including its permanently attached equipment. However, if there is a **finance agreement** in place for the **covered auto**, subject to the stated amount shown on the **Declarations Page**, the most **we** will pay for a total **loss** where a **finance agreement** exists and the stated amount is equal or greater than the outstanding financial obligation, is the greater of:

1. The outstanding financial obligation under a **finance agreement** for a **covered auto** at the time of the **loss**; or
2. The **actual cash value** of the **covered auto** at the time of the **loss**.

In no event will **we** pay more than the stated amount shown on the **Declarations Page**.

G. Further, if the stated amount **you** declared on the Application or endorsement is less than 90% of the **actual cash value** at the time of **loss** to a **covered auto**, **you** will share with **us** in the cost of repair or replacement as follows:

1. **We** will pay the same portion of the **loss** which the stated amount bears to 90% of the **actual cash value** of a **covered auto** at the time of **loss**.
2. **We** will reduce the payment of **loss** by the Auto Damage deductible shown on the **Declarations Page** prior to calculating the proportionate amount **we** will pay.

For illustrative purposes only, the following example provides steps for calculating the proportionate amount **we** will pay:

Stated Amount = $7,000

Actual cash value (ACV) = $10,000

90% of ACV = $9,000

Deductible = $1,000

Loss Amount = $5,000

Stated Amount / 90% of ACV = Proportionate Amount

$7,000 / $9,000 = 78 %

(Loss Amount – Deductible) x Proportionate Amount = Amount Paid

($5,000 - $1,000) x .78 = $3,111

H. In the event of a total **loss** to an **auto** listed on the **Declarations Page**, **you**, or someone on **your** behalf, must provide **us** the key to such **auto** at **our** request. If **we** are not provided the key to such **auto**, **we** will reduce any amount payable to **you** by $250 because of:

1. The cost in duplicating the key; or
2. The loss in salvage value.

This provision will not apply if **you** retain the salvage.

I. Payments for **loss** covered under this PART D are subject to the terms set forth here:

1. No more than one deductible shall be applied to any one covered **loss**. In the event there are different deductible amounts applicable to the **loss**, the higher deductible will be applied. In all events, the deductible will be applied against the limit of liability. If a **loss** involves another coverage added by endorsement to this policy, only one deductible will apply to the entire **loss** event.
2. In determining the amount necessary to repair damaged property to its pre-**loss** condition, the amount to be paid by **us** will be based on the cost of repair or on the cost of replacement parts and equipment which may be new, reconditioned, remanufactured or used including, but not limited to:
   a. Original manufacturer parts or equipment; and
   b. Non-**OEM** parts or equipment.
3. The **actual cash value** is determined by the market value, age and condition of the vehicle at the time the **loss** occurs.

4. Duplicate recovery for the same elements of **loss** is not permitted. No one will be entitled to receive duplicate payments for the same elements of **loss** under this coverage and:
    a. Any other coverage provided by this Policy; or
    b. Under any other insurance or source of recovery.
5. If **your covered auto** is an **additional auto** that you have requested to be added to **your** policy within 30 days of **your** acquisition of the **auto**, and no deductible has been designated for the **additional auto** prior to the **loss**, then
    a. when the **covered auto** is a **private passenger auto**, **we** will apply the lowest deductible listed for any one **auto** listed on the **Declarations Page**; or
    b. when the **covered auto** is an **auto** other than a **private passenger auto**, **we** will apply the highest deductible listed for any one **auto** listed on the **Declarations Page**.

J. **We** have no duty to pay the **actual cash value** of window glass or to replace window glass after a **loss** if **you** agree to have the window glass repaired at **our** expense.

K. If **we** pay **your** financial obligation under a **finance agreement**, **we** will not pay:
1. Overdue **finance agreement** payments including any type of late fees or penalties;
2. Financial penalties imposed under a **finance agreement** for excessive use, abnormal wear and tear, or high mileage;
3. Security deposits not normally refunded by the lessor or lender;
4. Cost of **finance agreement** related products such as, but not limited to, Credit Life Insurance, Health, Accident or Disability Insurance purchased by **you**;
5. Carry-over balances from previous **finance agreements** or other amounts not associated with the **covered auto**; or
6. Unpaid principal included in the outstanding **finance agreement** balance that was not used by **you** to purchase the **covered auto**.

PAYMENT OF LOSS

A. At **our** option, **we** may:
1. Pay for, repair or replace damaged or stolen property;
2. Return the stolen property to **you** or to the address last known by **us** at **our** expense. **We** will pay for direct physical damage to a **covered auto** resulting from the theft subject to the **LIMIT OF LIABILITY** section; or
3. **We** may keep all or part of the damaged or stolen property at the agreed or appraised value, but there shall be no abandonment to **us**.

B. **We** may make payment for a **loss** to **you**, the owner of the property, the repair facility or to any applicable lienholder and/or loss payee. Payment for a **loss** is required only if **you** have fully complied with the policy provisions.

C. When **we** make a payment of any amount due under this PART D to **you**, the lienholder and/or loss payee or to anyone on **your** behalf, **we** may deduct from the payment any premium or fees that are due and unpaid under the Policy.

D. If **we** make a payment for theft or total **loss** of an **auto**, **you** or the **owner** must transfer the title of that **auto** to **us** at or before the time of payment, unless **you** or the **owner** keep the salvage of a totaled **auto**.

E. A party with an additional interest in a **covered auto** shall have no greater rights than **your** rights to recover for a **loss**.

PERMISSION TO RELEASE VEHICLE

This Policy allows **us** to act as an agent on **your** behalf in the event a **covered auto** is non-drivable and incurring storage and/or any additional **accident** related expenses thus conferring authority for **us** to move the **covered auto** to a secure, storage free inspection facility.

NO BENEFIT TO BAILEE

This insurance shall not in any way benefit directly or indirectly any person, organization or other bailee caring for or handling property for a fee.

OTHER SOURCES OF RECOVERY

If other insurance 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 limits 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.

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, licensed and impartial appraiser within fifteen (15) days of the demand for appraisal. If the appraisers agree on the amount of the **loss**, they shall submit a written report to **us** and this shall be deemed to be the amount of the **loss**.

B. If the appraisers cannot agree on the amount of **loss** within a reasonable time, they shall then choose a competent, impartial umpire. If they cannot agree on an umpire within fifteen (15) days, either **you** or **we** may petition a judge of a court having jurisdiction to choose 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. Subject to the provisions of the Policy, a written agreement signed by two of these three will be binding.

C. Each party will:

1. Pay its chosen appraiser; and
2. Bear the expenses of the appraisal and umpire equally.

D. By agreeing to an appraisal, **we** do not waive any of **our** rights or defenses under this Policy, including **our** right to deny the claim.

E. Appraisers have authority only to decide the amount of the **loss**. The appraisers have no authority to:

1. Make any coverage decisions under the Policy; or
2. Award any fees, interest or costs.

LOSS PAYABLE CLAUSE

A. Subject to all the terms of this Policy, **loss** or damage shall be paid, as interest may appear, to the **named insured** and/or the loss payee shown on the **Declarations Page** of this Policy, both jointly or separately, at **our** discretion.

B. The loss payee's interest will not be protected if the **loss** results from **your** fraudulent acts or omissions, conversion, secretion or embezzlement of a **covered auto** or if the **loss** is not payable to **you** under the terms of this Policy.

C. **We** reserve the right to cancel or nonrenew this Policy as permitted by policy terms and state law. The cancellation or nonrenewal shall terminate this agreement as to the loss payee's interest. If **we** are required by law or regulation to give the loss payee notice of cancellation, **we** will give such notice in accordance to such law or regulation. In addition, any continuance of coverage protecting the loss payee's interest shall terminate on the effective date of a policy contract or insurance binder for similar coverage issued by another insurance carrier.

D. In the event the loss payee makes a claim under this Policy, the loss payee shall be required to abide by all terms and conditions of this Policy applicable to **you** and shall have no greater rights than **you** to receive payment.

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

F. This clause has no effect if the name of the loss payee is not shown on the **Declarations Page**.

GENERAL PROVISIONS

ADDITIONAL DEFINITIONS USED IN THIS SECTION

A. **"Mail"**, **"mailing"** or **"mailed"** means:

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

B. **"Proof of mailing"** means sufficient evidence that a correspondence or notice has been presented to the United States Postal Service for **mailing**. **Proof of mailing** includes, but is not limited to, any form of certificate of mailing or certificate of bulk mailing issued by the United States Postal Service, including a Certificate of Bulk Mail or any other form allowed by state law.

BANKRUPTCY

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

CHANGES

A. This Policy, along with the **Declarations Page**, as amended, and Application, which are incorporated into and made part of this Policy as if attached hereto, and any endorsements issued by **us**, contain all the agreements between **you** and **us**. Its terms may not be changed or waived except in writing by **us**.

B. The premium for each **covered auto** 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 or take other appropriate action.
2. To cooperate with **us** in determining if this information is correct and complete.
3. To advise **us** of any changes such as the following which **we** consider material to the development of the Policy premium:
   a. The number or types of **covered autos** including when **you** acquire, sell or dispose of an **auto**;
   b. The drivers or regular operators using the **autos** insured under **your** Policy (either additions or deletions);
   c. People **residing** in **your** household;
   d. **Your** mailing or business address;
   e. The principal place where **you** garage any of the **autos** insured under this Policy changes;
   f. The use of **autos** insured under **your** Policy;
   g. **You**, a **family member** or a **permissive driver** obtains a driver's license or operator's permit or has a driver's license revoked, suspended or reinstated;
   h. The marital status of **you**, a **family member** or any regular operator;
   i. Coverages, coverage limits or deductibles;
   j. Eligibility for discounts or surcharges or other premium credits or debits; or
   k. Other factors permitted by law.

C. 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 under the Policy;
2. Use of the **autos** insured under the Policy;
3. Drivers;
4. Coverages or coverage limits;
5. Principal place where **you** garage any of the **autos** insured under this Policy;
6. Eligibility for discounts or surcharges or other premium credits or debits;
7. Marital status; or
8. Other factors permitted by law.

D. **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 is made through introduction of a subsequent edition of **your** Policy or an amendatory endorsement.

E. If **you** ask **us** to delete an **auto**, no coverage will apply as of the date and time **you** ask **us** to delete such **auto**.

F. If **we** make a change to this Policy during the policy period that broadens any coverage without an additional premium charge, **you** will have the broadened coverage if that coverage is in effect on the date of change. The effective date of a change will be the date **we** implement that change in the state in which the Policy is written.

G. Notice to any agent or knowledge possessed by an agent or other person shall not change, effect or waive any portion of this Policy nor stop **us** from asserting any of **our** rights under this Policy.

H. Nothing contained in this section will limit **our** right to void this policy for fraud, misrepresentation or concealment of any material fact by **you**, or anyone acting on **your** behalf.

I. If we intend to increase your premiums by an amount that is more than twenty-five (25%) as a result of comparing policies of equivalent exposures, we will mail or delivery to the first Named Insured and the producer at the address shown on the policy, not less than sixty (60) days' notice, specifying the percentage increase.

SETTLEMENT OF CLAIMS

We may use estimating, appraisal, or injury evaluation systems or tools to determine any amounts to be paid under this Policy. These systems or tools may be developed by **us** or by third parties and may include computer software, databases and special technology.

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 > LIABILITY COVERAGE, no legal action may be brought against **us** unless:

1. **We** agree in writing that the **insured** has an obligation to pay for damages due to a covered **accident**; 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 an **insured**.

C. If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including as evidence for a legal proceeding absent any specific and formal written request to do so.

D. Except as provided for in this Policy, any lawsuit against **us** for benefits under any part of this Policy, or any lawsuit filed against **us** by an **insured** following an **accident**, must be commenced within the time period set forth in the **bodily injury** statute of limitations in the law of the state where the **accident** occurred.

OUR RIGHT TO RECOVER PAYMENT

A. If **we** make a payment under this Policy and the person or organization to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right. That person or organization shall:

1. Do whatever is necessary to enable **us** to exercise **our** rights;
2. Do nothing after an **accident** or **loss** to prejudice **our** rights;
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; and

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 PART D > COVERAGE FOR DAMAGE TO YOUR AUTO of this Policy against any person using a **covered auto** with the **owner's** express or implied permission.

B. If **we** make a payment under this Policy and the person or organization 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.

In the event recovery has already been made from the responsible party, any rights to recovery by the person(s) claiming coverage under this Policy no longer exist.

C. If **we** pursue recovery from a liable party:

1. **You** permit **us** to seek recovery of any deductible that may apply, but **we** have no duty to do so. **We** will notify **you** if **we** do not intend to collect the deductible.
2. **We** reserve the right to compromise or settle the deductible and property damage claims against the responsible parties for less than the full amount. For those sums, **you** agree to be bound by:
   a. A settlement agreement entered into by **us** and the liable party; or
   b. The outcome of appraisal or arbitration.
3. If the total recovery is less than the total of **our** payment and the deductible, **we** will reduce reimbursement of the deductible to **you** based on the proportion that the actual recovery bears to the total of **our** payment and the deductible.
4. Any reimbursement to **you** by **us** will be reduced by a proportionate share of expenses and attorney fees incurred due to the recovery.

D. If **we** make a payment to, or on behalf of, anyone insured under this Policy which is not covered by this Policy but is compelled by law then, to the extent allowed by law, **you** must reimburse **us** to the full extent of all **loss** or damages paid by **us** and **our** claims adjustment expenses.

POLICY PERIOD AND TERRITORY

A. This Policy applies only to **accidents** or **losses** which occur:

1. During the policy period shown on the **Declarations Page**; and
2. Within the policy territory.

B. This policy territory is:

1. The United States of America, its territories or possessions; or
2. Canada.

This Policy also applies to covered **accidents** or covered **losses** while the **auto** insured under this Policy is being transported between their ports.

PREMIUM DUE ON POLICIES

A. An affiliate or business partner of **ours** may provide **you** with special offers that may be applied toward the premium to purchase a policy issued by **us**. **We** may also provide **you** with special offers that may be applied toward the purchase of products offered by an affiliate or business partner of **ours**.

B. In addition, **our** affiliate or business partner may:

1. Provide **you** with special offers toward the purchase of a product or service provided through or by **our** affiliate or business partner;
2. Make a contribution on **your** behalf to an educational or charitable fund under a program sponsored through or by **our** affiliate or business partner; or
3. Make a contribution toward any educational or charitable fund of **your** choice.

POLICY TERMINATION

A. **Cancellation**

1. This Policy may be cancelled during the policy period as follows:
   a. **You** may cancel by:
      i. Returning this Policy to **us**; or
      ii. Giving **us**, or **our** authorized representative, advance written notice of the date cancellation is to take effect. The effective date of the cancellation shall be either the date **we** receive such notice or the date specified in the notice, whichever is later. **We** may, at **our** option, waive the requirement that the notice state a future date for cancellation and cancel the Policy as of the effective date shown in the notice.
   b. **We** may cancel this Policy by **mailing** to the first **named insured shown in the Declarations Page** at the address last known by **us** notice of cancellation at least ten (10) days in advance of the cancellation effective date. When this Policy has been in effect for less than sixty (60) days, **we** may cancel this Policy for any lawful reason. Notice of Cancellation will be provided as required by state law.

c. After this Policy is in effect for sixty (60) days, or if this is a renewal or continuation policy, **we** will cancel only for one or more of the following reasons:

i. **you** do not pay the required premium for this Policy when due;

ii. **your** conviction of a crime having as one of its necessary elements an act increasing any hazard insured against;

iii. discovery of fraud or material misrepresentation on **your** or **your** representative's part in obtaining this insurance or in pursuing a claim under this Policy;

iv. failure to comply with written loss control recommendations;

v. material change in the risk which increases the risk of **loss** after insurance coverage has been issued or renewed;

vi. determination by the Insurance Commissioner that the continuation of the Policy would jeopardize our solvency or would place **us** in violation of the insurance laws of this state or any other state;

vii. violation or breach by **you** of any Policy terms or conditions;

viii. other reasons that are approved by the Insurance Commissioner; or

ix. any other reason specified by law.

Notice of cancellation will state the reason for cancellation.

With respect to cancellation, this Policy is neither severable nor divisible. Any cancellation will be effective for all coverage for all persons and all **autos**.

If this Policy is canceled, coverage will not be provided as of the effective date and time shown in the notice of cancellation.

B. **Nonrenewal**

1. If **we** decide not to renew or continue this Policy or if **we** condition our renewal on the reduction of limits or the elimination of coverages **we** will **mail** notice to the **named insured** at the address last known by **us**. Notice will be **mailed** at least sixty (60) days before the end of the policy period unless:

a. **We** have offered to issue a renewal Policy; or

b. **You** have obtained replacement coverage or have agreed in writing to obtain replacement coverage.

2. Any notice of nonrenewal will be mailed or delivered to the first **named insured's** and agent's addresses shown in the Policy.

We will send this notice by registered mail, certified mail or mail with certificate of mailing to **your** last address known by **us**. Proof of mailing is sufficient proof of notice.

C. **Automatic Termination**

1. 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.

2. If other insurance is obtained on a **covered auto**, any similar insurance provided by this Policy will terminate as to that **auto** on the effective date of the other insurance.

3. If a **covered auto** is sold or transferred to someone other than **you** or a **family member**, insurance provided by this Policy will terminate as to that **auto** on the effective date of the sale or transfer.

4. Nothing in this **POLICY TERMINATION** section shall waive **our** rights to void this Policy, if permitted by law.

D. **Payment Of Premium**

1. If **you** pay **your** initial premium for any new policy by any remittance other than cash, the coverage offered by this Policy is conditioned on that remittance being honored upon presentment by the financial institution. If the 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. If the Policy is void from inception, it will not be subject to the Cancellation provisions of this Policy. This means that **we** will not be liable under this Policy for any claims or damages which would otherwise be covered if the remittance had been honored upon presentment. If **we** are required by law to make any payment after **we** void this Policy, **you** must pay **us** for all expenses incurred and payments made. **Our** right to void this Policy will not be affected if **we** submit the remittance for payment more than once.

2. If **you** make a premium payment for a renewal of **your** Policy using an uncollectible instrument, **our** offer of policy renewal is deemed rejected by **you** and the Policy terminated without renewal. **Our** right to void this Policy will not be affected if **we** submit the remittance for payment more than once.

3. Examples of an uncollectible instrument and payment not being honored upon presentment include, but are not limited to:

   a. Checks dishonored or refused due to insufficient funds;

   b. Checks drawn from closed accounts;

   c. Invalid credit cards or credit card charges dishonored or refused by the issuing financial institution; and

   d. Electronic Funds Transfer (EFT) or Automated Clearing House (ACH) transfers or payments from a financial institution or similar account that are refused, dishonored or rejected.

4. If any of these acts or events occur at initial application or at any time during the policy period, it shall be deemed to be nonpayment of premium.

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 in person instead of **mailing** it.

3. **Proof of mailing** of any notice shall be sufficient proof of notice.

4. If this Policy is canceled or terminated, the premium refund, if any, will be computed on a pro-rata basis. If this Policy is cancelled at the request of a premium finance company that has financed this Policy under a premium finance agreement the premium refund, if any, will be calculated on a pro-rata basis. If the Policy is canceled at **your** request, the refund, if any, will be calculated on a short-rate basis. However, making or offering to make the refund is not a condition of cancellation.

5. Any notice stating the Policy has ended shall terminate all coverages under this Policy as of the effective date in the notice.

F. **Reinstatement Of Coverage**

1. Policies that have been canceled, terminated, nonrenewed or expired may be eligible, at **our** discretion, for reinstatement of coverage. Requirements for reinstatement include but are not limited to:

   a. No **accidents** or **losses** against the Policy during the canceled, terminated, nonrenewed or expired period; and

   b. All money due on the Policy must be received.

2. If there was an **accident** or **loss** against the Policy during the canceled, terminated, nonrenewed or expired period, then the reinstatement will be voided, if allowed by law, and the Policy will remain canceled, terminated, nonrenewed or expired.

3. If the Policy is reinstated and the payment received is not honored for any reason, the reinstatement will be voided, if allowed by law, and the Policy will remain canceled, terminated, nonrenewed or expired.

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**, if an individual, coverage will be provided until the end of the Policy period or cancellation date, whichever is earlier, for:

1. The **named insured's** surviving spouse, if such person **resides** in the **named insured's** household at the time of the **named insured's** death. Coverage applies to the spouse as if a named insured shown on the **Declarations Page**.

2. The legal representative of the deceased person while acting within the scope of the duties of a legal representative. This applies only with respect to the representative's legal responsibility to maintain or use a **covered auto**.

3. Any person having proper custody of a **covered auto** until a legal representative is appointed but in no event for more than thirty (30) days after the date of such death.

MISREPRESENTATION AND FRAUD

A. This Policy was issued in reliance on the information provided on **your** written or verbal insurance Application. **We** reserve the right, at **our** sole discretion, to void from inception or rescind this Policy if **you** or any **insured**:

   1. Made any false statements or representations to **us** with respect to any material fact or circumstance; or

   2. Concealed, omitted or misrepresented any material fact or circumstance or engaged in any fraudulent conduct;

   in the Application for this insurance or when renewing this Policy, requesting reinstatement of this Policy or applying for any coverage under this Policy.

A fact or circumstance will be deemed material if **we** would not have:

1. Written this Policy;
2. Agreed to insure the risk assumed; or
3. Assumed the risk at the premium charged.

This includes, but is not limited to, failing to disclose in the verbal or written Application all persons **residing** in **your** household, the license or driving history of **you**, a **relative**, or any person listed as a driver on the **Declarations Page**, regular operators of a **covered auto,** the description of the **autos** to be insured; or the location of the principal place of garaging.

B. This Policy shall be void if **you** fail to notify **us** of any change to the Policy that materially affects **our** acceptance or rating of this risk.

C. If **we** void this Policy, the Policy will be void from its inception, and **we** will not be liable for any claims or damages that would otherwise be covered.

D. **We** may cancel this Policy and/or may not provide coverage under this Policy if **you**, a **family member** or anyone else seeking coverage under this Policy concealed or misrepresented any material fact or circumstance or engaged in fraudulent conduct in connection with the presentation or settlement of a claim. This includes, but is not limited to, misrepresentation concerning a **covered auto** or **your** interest in a **covered auto**.

E. **We** may, at **our** sole discretion, void or rescind this Policy for fraud or misrepresentation even after the occurrence of an **accident** or **loss**. This means that **we** will not be liable for any claims or damages which would otherwise be covered. However, this shall not affect coverage under PART A > - LIABILITY COVERAGE of this policy up to the minimum limits required by the financial responsibility law of the State of Tennessee for an **accident** that occurs before **we** notify the **named insured** that the Policy is void.

F. If **we** make a payment under this Policy for a **loss** or **accident** to **you** or to a person seeking coverage under this Policy which **we** later discover was obtained through fraud, concealment or misrepresentation by **you** or the person seeking coverage under this Policy, **we** reserve the right, at **our** sole discretion, to recover such payment made or incurred.

G. No person who engages in fraudulent conduct in connection with an **accident** or claim shall be entitled to receive any payment under this Policy.

INSPECTION AND AUDIT

A. **We** shall have the right to inspect **your** property and operations at any time. This includes, but is not limited to, the right to inspect and audit the maintenance of any **covered auto**, the identity of **your** drivers and their driving records, and **your** radius of operations. In doing so, **we** do not warrant that the property or operations are safe or healthful or are in compliance with any law, rule or regulation.

B. **We** shall also have the right to examine and audit **your** books and records at any time during the policy period and any extensions of that period and within three years after termination of the Policy, as far as they relate to the subject matter of this insurance.

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

If this Policy and any other **auto** policy issued by **us**, or any company affiliated with **us**, apply to the same **accident** or **loss**, the total limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. However, no one will be entitled to receive duplicate payments for the same elements of damage.

TERMS OF POLICY CONFORM TO STATUTES

If any provision of this Policy fails to conform to the statutes of the state in which this Policy is written, the provision shall be deemed to conform to such statutes. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provisions of this Policy shall be governed by the law of the state in which this Policy is written.

JOINT AND INDIVIDUAL INTERESTS

You may change or cancel this Policy; however, **your** action(s) shall be binding on all persons provided coverage under this Policy.

ELECTRONIC SIGNATURE

A. **You** and **we** agree that electronic signatures may be used and will satisfy any regulatory or other requirement for written signatures. When a law requires:

1. A signature on any form or document; or
2. A letter or document to be notarized, verified, acknowledged or made under oath;

the electronic signatures will satisfy this requirement if the signature of the person authorized to perform the service of notarizing, verification, or acknowledgment is attached or logically associated with the signature or electronic signatures of record.

B. **You** and **we** agree that electronic signatures shall include, but are not limited to, any assent; acceptance; agreement; election; selection and rejection sent via e-mail; internet; text message; or fax; or done as a recorded telephonic signature or assent, when done with the intent of the person to be bound, as if signed in writing.

LIMITATION OF USE

You agree that the premium charged for the coverages shown on the **Declarations Page** is based on the commercial use of the **autos** described in the Policy. **You** also agree that the **autos** will be confined during the policy period to the territory within the stated mile radius of the city or town where the **autos** are principally garaged as shown on the **Declarations Page**.

DUTY TO REPORT CHANGES

You must promptly notify **us** when:

1. **your** mailing or business address changes;
2. the principal garaging address of an **insured auto** changes;
3. there is a change to the persons who regularly operate an **insured auto**; or
4. **you** acquire, sell, or dispose of **autos**.

CHOICE OF LAW

By accepting this policy **you** agree that any dispute shall be governed by the laws of the State in which **your** policy was issued without regard to conflict of law provisions.

MEXICO - COVERAGE EXCLUSION WARNING

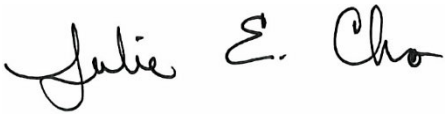
A. **Accidents** in Mexico are subject to the laws of Mexico, not the laws of the United States. Under Mexican law, **accidents** are considered a criminal offense as well as a civil matter.

B. This policy does NOT provide coverage for any claim arising from an **accident** or **loss** involving a **covered auto** or an **auto you** do not **own** while in Mexico. To avoid complications, **you** should purchase insurance from an insurance company licensed to provide automobile insurance in Mexico.

In witness whereof, we, as officers of the Company, have caused this Commercial Automobile Policy to be executed and attested. If required by state law, this Policy shall not be valid unless countersigned by **our** authorized representative.



Peter Rendall
President



Julie E. Cho
Secretary