Indiana
Personal Automobile Policy



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Direct General Insurance Company

12169 (03012018)

INDIANA PERSONAL AUTOMOBILE 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

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.

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.

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.

DEFINITIONS

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.

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 **Declaration Page**, if:

1. No other insurance applies to the acquired **auto**;
2. Within the time period allowed below after **you** become the **owner** of the **additional auto**, **you** ask **us** to add the **additional auto** to **your** Policy; and
3. **We** insure all **autos owned** by **you** on the date **you** take possession of the **additional auto**.

We will provide coverage under PART A > LIABILITY COVERAGE for fourteen (14) days after you become the owner of the **additional auto.** In order to maintain coverage under PART A > LIABILITY COVERAGE after the first fourteen (14) days after **you** become the **owner** of the **additional auto you** must ask **us** to insure the **additional auto** and **we** must agree to insure it.

We will provide coverage under PART D > COVERAGE FOR DAMAGE TO YOUR AUTO for four (4) days after you become the owner of the **additional auto.** In order to maintain coverage under PART D > COVERAGE FOR DAMAGE TO YOUR AUTO after the first four (4) days after **you** become the **owner** of the **additional auto you** must ask **us** to insure the **additional auto** and **we** must agree to insure it.

Any coverage **we** provide for the **additional auto** is subject to the following conditions:

1. 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.
2. The deductible for the **additional auto** will be $500 for the first four (4) days of coverage for any covered **loss** under Comprehensive Coverage or Collision Coverage and thereafter, if coverage for PART D > COVERAGE FOR DAMAGE TO YOUR AUTO is purchased for the **additional auto,** the deductible shall be the amount you select, and pay a premium for, as your deductible for the **additional auto.**
3. Notwithstanding the other provisions in this Definition, no coverage will apply to any **auto** at any time if the **auto** or its use is not an acceptable risk under **our** Rules in effect at the time the **auto** is acquired.

D. **"Auto"** means a four-wheeled private passenger vehicle or dual rear wheel six-wheeled pick-up truck designed for operation mainly on public roads with a gross vehicle weight (as determined by the manufacturer's specifications) of 12,000 pounds or less.

An **auto** does not include:

1. Vans with cabs separate from the cargo area;
2. Delivery van;
3. Step-van;
4. Cargo cutaway van; or
5. Any type of all-terrain or quad vehicle, dune buggy, go-cart or golf cart.

E. **"Bodily injury"** means bodily harm, sickness or 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. **"Business"** means any full-time or part-time job, trade, profession, occupation, employment or commercial enterprise.

G. **"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 item 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.

H. **"Covered auto"** means:

1. Any **auto** shown on **your Declarations Page**, unless **you** have asked **us** to delete that **auto** from the Policy;
2. A **newly acquired auto**;
3. **Your trailer**; or
4. Any **auto** not **owned** by **you** while used on a temporary basis as a substitute for any other **auto** described in this definition which is out of normal use because of its:
   a. Breakdown;
   b. Repair;
   c. Servicing;
   d. **Loss**; or
   e. Destruction.

   Coverage for a temporary substitute **auto** shall not exceed sixty (60) days.

I. **"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.

J. **"Declarations Page"** means the policy document showing **your** coverages, limits of liability, **covered autos**, premiums and other policy related information.

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

L. **"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** of another.

M. **"Digital network"** means any system or service offered or utilized by a **transportation network company** that enables **TNC prearranged trips** with drivers.

N. **"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.

O. **"Family member"** means:

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**.

"Family member" includes **your** unmarried, dependent children living temporarily away from home who intend to **reside** in **your** household.

P. **"Loss"** means sudden, direct, and **accidental** destruction or damage. **"Loss"** does not include **diminution in value**.

Q. **"Minimum limits"** means the minimum amount of liability insurance required to apply to an **auto** by the motor vehicle compulsory insurance or financial responsibility laws of the state in which **you reside**, as shown in **our** records as the garaging address for a **covered auto**.

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) designated as the named insured(s) on the **Declarations Page**.

T. **"Newly acquired auto"** means an **additional auto** or a **replacement auto** of which **you** become the **owner** during the policy period.

U. **"Non-owned auto"** means any private passenger **auto**, pickup, or van that is not:

1. **Owned** by;
2. Registered to; or
3. Furnished or available for the regular use of;

you or a **family member**, while in the custody of, or while being operated with the **owner's** express or implied permission by, **you** or a **family member**.

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

W. **"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.

X. **"Permissive driver"** means any person operating a **covered auto** within the scope of **your** permission and such person is not listed as a driver on your Declarations Page and does not meet the definition of an **undisclosed operator**.

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 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. **"Regular operator"** is someone who uses a **covered auto** at least once a week or at least thirty (30) times over the last twelve (12) months prior to an **accident** or **loss**.

CC. **"Replacement auto"** means an **auto** that **you** acquire to replace an **auto** shown on the **Declarations Page** if no other insurance applies to the acquired **auto** and **we** insure all **autos** that **you own**.

Any coverage **we** provide for a **replacement auto** is subject to the following terms:

1. 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. However, if the **auto** being replaced did not have coverage under **PART A > LIABILITY COVERAGE**, the **replacement auto** will have the minimum limits of liability coverage specified by the Indiana financial responsibility law only during the first fourteen (14) days after **you** become the owner unless this coverage is added for the **replacement auto** within fourteen (14) days after **you** become the **owner** of the **replacement auto** and a premium is paid for such coverage. In addition, if neither the **auto** being replaced nor any **auto** shown on the **declarations page** has coverage under **PART D > COVERAGE FOR DAMAGE TO YOUR AUTO** such coverage may be added, but the **replacement auto** will have no coverage under **PART D > COVERAGE FOR DAMAGE TO YOUR AUTO** until **you** notify **us** of the

replacement auto and ask **us** to add the coverage. If the **auto** being replaced or any **auto** shown on the **declarations page** has coverage under **PART D > COVERAGE FOR DAMAGE TO YOUR AUTO** such coverage will be provided for only four (4) days after **you** become the owner of the **replacement auto** subject to a deductible of $500 unless **you** ask **us** to add this coverage to the **replacement auto** within four (4) days after **you** become the **owner** of the **replacement auto** and pay an additional premium for such coverage.

2. 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.
3. Notwithstanding the other provisions in this Definition, no coverage will apply to any **auto** at any time if the **auto** or its use is not an acceptable risk under our Rules in effect at the time the **auto** is acquired.

DD. **"Reside"**, **"resides"**, and **"residing"** mean to dwell within the household as the person's primary and legal domicile. Minor dependent children whose parents are separated or divorced shall be deemed to **reside** in both parents' household.

EE. **"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 primary residence, office, store, **business** or for display purposes;
2. For commercial purposes; or
3. To transport passengers.

FF. "**Transportation network company**" or **"TNC"** is a corporation, partnership, sole proprietorship, or other entity that is using a **digital network** to connect **transportation network company** passengers to **transportation network company** drivers who provide **TNC prearranged trips.**

GG. **"TNC prearranged trip"** means the provision of transportation by a **transportation network company** driver to a passenger provided through the use of a **TNC's digital network**:
1. Beginning when a **transportation network company** driver accepts a passenger's request for a trip through a **digital network** controlled by a **transportation network company**;
2. Continuing while the **transportation network company** driver transports the requesting passenger; and
3. Ending when the last requesting **passenger** departs from the **TNC vehicle**.

HH. **"Undisclosed operator"** means a:
1. **Family member**;
2. Person who **resides** in **your** household; or
3. **Regular operator**;

who has a driver's license or permit but who is not listed on **your** Policy:
a. At the time of application;
b. At the time the person obtains a valid driver's license or permit; or
c. Within thirty (30) days of **residing** in **your** household.

An **undisclosed operator** also includes any person shown on the **Declarations Page** as a non-driver.

II. **"We"**, **"us"** and **"our"** refer to the Company shown on the **Declarations Page** as providing this insurance.

JJ. **"You"** and **"your"** refer to:
1. The **named insured**; and
2. If **residing** in the same household at the time of the **accident** or **loss**:
   a. The spouse of the **named insured**; or
   b. The domestic partner of the **named insured** if the domestic partnership is established pursuant to a domestic partnership, civil union or similar law in any state.

KK. **"Your 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:
1. **Owned** by **you**;
2. Being towed by a **covered auto**; and
3. Shown on the **Declarations Page**; and

is not being used:
1. As a primary residence, office, store, **business** or for display purposes;
2. For commercial purposes; or
3. To transport passengers.

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. 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. A person, organization or entity seeking coverage 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 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** require to medical or physical exams by physicians **we** select. **We** will pay for these exams.

   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** 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;

      and

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

   8. Submit 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.

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. Within twenty-four (24) hours or as soon as practicable 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 expenses incurred to protect that property. Any further **loss** due to failure to protect will not be covered under this Policy.

   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 report any **accident** or **loss** to 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 **your 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 the **insured** subject to **our** limit 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 suit asking for these damages. If **we** defend, **we** will choose the counsel of **our** choice which may include an in-house counsel. In addition to **our** limit of liability, **we** will pay all defense costs **we** incur in any case we defend. **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. Accordingly, after the limits of this coverage have been paid, **we** will not defend any suit or pay any claim or judgment. **We** have no duty to:
   1. Defend any suit;
   2. Settle any claim; or
   3. Pay any judgment;

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

ADDITIONAL DEFINITION – PART A > LIABILITY COVERAGE

"Insured", as used in this PART A, means:

1. **You** and any **family member** who does not meet the definition of an **undisclosed operator** for:
   a. The operation or use of any **auto** with permission from its **owner**; or
   b. The **ownership**, maintenance or use of a **covered auto**.
2. Any person using a **covered auto** with **your** permission.
3. For the use of a **covered auto**, any person or organization, but only with respect to legal liability for acts or omissions of a person for whom coverage is afforded under this PART A.
4. With respect to the use of an **auto**, other than a **covered auto**, by **you** or a **family member**, any person or organization to the extent of legal liability within the limit of liability imputed due to the negligence of **you** or a **family member** for whom coverage is afforded under this PART A. This provision applies only if the person or organization does not **own** or hire the **auto**.

SUPPLEMENTARY PAYMENTS

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

1. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend and **we** choose to appeal. **We** have no duty to:
   a. Apply for or furnish any bond; or
   b. Pay premium on any bond in an amount exceeding **our** limit of liability.
2. Interest accruing after a judgment is entered in any suit **we** defend on that portion of the judgment that is within **our** limit of liability. **Our** duty to pay interest ends when **we** offer to pay that part of the judgment which does not exceed **our** limit of liability for this coverage.
3. Reasonable loss of earnings, 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 make a written request for loss of earnings and provide written proof of such loss.
4. Other reasonable expenses incurred at **our** request.
5. Upon **your** request, up to $100 for a bail bond required because of an accident resulting in **bodily injury** or **property damage** covered under this Part A. **We** have no duty to apply for or furnish this bond

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 damage**:
      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, any **family member**, an **insured** or a person **residing** in **your** household.

This exclusion does not apply to **property damage** to a residence or private garage rented to **you**, any **family member**, an **insured** or a person **residing** in **your** household.

3. **Bodily injury** to an employee or fellow employee of any **insured** arising out of, and in the course of, employment. This exclusion does not apply to **bodily injury** to a domestic employee unless worker's compensation benefits, disability benefits, or similar benefits are required or available for that domestic employee.
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. This includes the use of any vehicle for retail or wholesale delivery, including but not limited to the pickup, transportation, or delivery of magazines, newspapers, mail, or food. This exclusion does not apply to a share-the-expense car pool.
5. **Bodily injury** or **property damage** that occurs while the **insured** is employed or otherwise engaged in any **motor vehicle business**. However, this exclusion does not apply to the **ownership**, maintenance or use of a **covered auto** by **you** or a **family member**.
6. **Bodily injury** or **property damage** that occurs while maintaining or using any vehicle while an **insured** is employed or otherwise engaged in any **business** (other than farming or ranching). However, if a **business** or artisan use is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**; maintenance; or use of that **auto** by:
   a. **You**;
   b. Any **family member**; or
   c. Any partner, agent or employee of **you** or any **family member**.
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. This exclusion does not apply to **you** or a **family member** when using or **occupying** a **covered auto**.
8. **Bodily injury** or **property damage** arising out of the ownership or use of an **auto** while it is used by a **transportation network company** driver who is logged onto a **transportation network company's digital network** but is not engaged in a **transportation network company prearranged trip** or while the driver provides a **transportation network company prearranged trip.**
9. **Bodily injury** to **you**, any **family member**, or any **insured**.
10. **Bodily injury** or **property damage** for which an **insured**:
    a. Is an insured under a nuclear energy liability policy; or
    b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

    For the purpose of this exclusion, a nuclear energy liability policy means a policy issued by any of the following or their successors:
    a. Nuclear Energy Liability Insurance Association;
    b. Mutual Atomic Energy Liability Underwriters; or
    c. Nuclear Insurance Association of Canada.
11. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance, or use of any vehicle while **racing**.
12. **Bodily injury** or **property damage** for which the United States Government is held responsible under the Federal Tort Claims Act.
13. **Bodily injury** or **property damage** arising out of any liability assumed by an **insured** under any contract or agreement.
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**. This exclusion applies regardless of whether the **insured** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations.
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. Such **loss** is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the **loss**.

18. Court ordered criminal restitution.
19. **Bodily injury** or **property damage** resulting from the discharge or use of any firearm or weapon in connection with the **ownership**, maintenance or use of any **auto**.
20. **Bodily injury** or **property damage** resulting from the use of any **auto** by:
    a. An excluded driver;
    b. An **undisclosed operator**; or
    c. Any person with a revoked or suspended driver's license or permit.

    This exclusion applies only to the extent that the limits of liability for this coverage exceed the limits of liability required by the Financial Responsibility Law of Indiana unless the named excluded driver is the spouse of the **named insured** and the vehicle is jointly owned by **insured** and spouse and both spouses have given their written consent. In that situation none of the coverages afforded by this policy shall apply while any vehicle covered under this policy is being driven, operated, or used in any manner by an **excluded driver**. To the extent that this policy must provide coverage under these circumstances such coverage shall be limited only to the limits of liability required by the Financial Responsibility Law of Indiana and such coverage shall be excess to any other coverage available for the driver or **owner** of a **covered auto**.
21. **Bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by any **insured** under a:
    a. Workers' compensation;
    b. Unemployment compensation;
    c. Non-occupational or occupational disease;
    d. Disability benefits; or any similar law.
22. **Bodily Injury** and **property damage** while **your auto** is operated by any one person under the minimum age required to obtain a license to operate a **motor vehicle** in the state, federal district, territory or province in which **your auto** is registered.
23. For charges, fees, and administrative expenses for services performed by law enforcement and municipal personnel while responding to a motor vehicle accident or loss.
24. For **bodily injury** or **property damage** arising out of the ownership or operation of any vehicle while it is being used to flee a law enforcement agent or a crime scene.
25. That occurs while any person, who is specifically excluded from coverage under Part A > LIABILITY COVERAGE pursuant to a Named Driver Exclusion Endorsement or under any other provision of this Policy, is operating an **auto**.

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. Any vehicle, other than a **covered auto**, that is:
        a. **Owned** by **you**; or
        b. Furnished or available for **your** regular use.
    3. Any **auto**, other than a **covered auto**, that is:
        a. **Owned** by any **family member**; or
        b. Furnished or available for the regular use of any **family member**.

    However, this exclusion B.3. does not apply to **you**.
    4. 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

WARNING: if **we** make a payment on behalf of an **undisclosed operator**, **we** will pay only up to the minimum limits required by the compulsory or

financial responsibility law in the state in which this Policy is issued regardless of the limits of liability shown on the **Declarations Page** for liability coverage.

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**. However, if liability coverage under PART A is payable on behalf of an **undisclosed operator**, the minimum limit of liability for **bodily injury** per person required by the state in which this Policy is issued 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 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**. However, if liability coverage under PART A is payable on behalf of an **undisclosed operator**, the minimum limit of liability for **bodily injury** per **accident** required by the state in which this Policy is issued 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**. However, if liability coverage under PART A is payable on behalf of an **undisclosed operator**, the minimum limit of liability for **property damage** required by the state in which this Policy is issued 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**. However, if liability coverage under PART A is payable on behalf of an **undisclosed operator**, the most **we** will pay for the aggregate of all damages resulting from any one **accident** is the minimum combined limit of liability required by the state in which this Policy is issued. 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.

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 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**; or
   8. Premiums paid.

F. If liability coverage under PART A is payable on behalf of an **undisclosed operator**, then the minimum limits of liability for **bodily injury** and **property damage** required by the state in which this Policy is issued is 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**; or
   8. Premiums paid.

   There will be no adding, stacking or combining of coverage.

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

H. Any payment under PART A > LIABILITY COVERAGE will be reduced by any payment made to that person under PART B > MEDICAL PAYMENTS COVERAGE, PART C (I) > UNINSURED/UNDERINSURED MOTORIST BODILY INJURY COVERAGE. However, this provision shall not reduce coverage under this PART A to an amount less than the **minimum limits**.

I. No one will be entitled to receive duplicate payments for the same elements of **loss** or damage 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 or source of recovery.

OUT OF STATE COVERAGE

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 nonresident to maintain insurance whenever the nonresident uses an **auto** in that state or province, this Policy will provide the greater of:
   a. The minimum limits and types of coverage; or
   b. The applicable limits of liability provided for that **insured** under this Policy.

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.

OTHER INSURANCE

A. If there is other applicable liability insurance, self-insurance or bond, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limits of liability bear to the total of all applicable limits with the same priority. However, any insurance **we** provide for an **auto you** do not **own** shall be excess over any other collectible insurance, self-insurance or bond.

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 more than one Policy issued by **us** or a company affiliated with **us** applies to the same **loss**, **we** will pay only up to the highest limit of any one of them.

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 **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 one (1) year 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 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.

   If **we** refuse to pay for any portion of a **medical expense** because the fee 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 is unreasonable or unnecessary.

D. **We** may refuse to pay for any medical services that are not provided and prescribed by a medical 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 medical provider charges to patients who do not have insurance.

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

ADDITIONAL DEFINITIONS – PART B > MEDICAL PAYMENTS COVERAGE

As used in this PART B:

A. **"Insured"** means:

1. **You** or any **family member**:
   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** a **covered auto** when the **covered 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 intentional act of an **insured** even if the actual **bodily injury** that results is different than that which was intended.
2. Arising out of, and in the course of, employment if worker's compensation benefits, disability benefits or similar benefits are required or available for the **bodily injury**.
3. 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. This includes the use of any vehicle for retail or wholesale delivery, including but not limited to the pickup, transportation, or delivery of magazines, newspapers, mail, or food. This exclusion does not apply to a share-the-expense car pool.
4. That occurs while the **insured** is employed or otherwise engaged in any **motor vehicle business**. However, this exclusion does not apply to the **ownership**, maintenance or use of a **covered auto** by **you** or a **family member**.

5. That occurs while maintaining or using any vehicle while an **insured** is employed or otherwise engaged in any **business** (other than farming or ranching). However, if a **business** or artisan use is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**; maintenance; or use of that **auto** by:
    a. **You**;
    b. Any **family member**; or
    c. Any partner, agent or employee of **you** or any **family member**.
6. 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. This does not apply to **you** or a **family member** when using or **occupying** a **covered auto**.
7. **A**rising out of the ownership or use of an **auto** while it is used by a **transportation network company** driver who is logged onto a **transportation network company's digital network** but is not engaged in a **transportation network company prearranged trip** or while the driver provides a **transportation network company prearranged trip.**
8. For which an **insured**:
    a. Is an insured under a nuclear energy liability policy; or
    b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

    For the purpose of this exclusion, a nuclear energy liability policy means a policy issued by any of the following or their successors:
    a. Nuclear Energy Liability Insurance Association;
    b. Mutual Atomic Energy Liability Underwriters; or
    c. Nuclear Insurance Association of Canada.
9. Arising out of the **ownership**, maintenance or use of any vehicle while **racing**.
10. For which the United States Government is held responsible under the Federal Tort Claims Act.
11. Arising out of any liability assumed by an **insured** under any contract or agreement.
12. Resulting from an **accident** or **loss** that occurs while the **insured** is committing a **crime**. This exclusion applies regardless of whether the **insured** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations.
13. 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.
14. Arising out of the **ownership**, maintenance or use of a **covered auto** as a residence or premises.
15. Arising out of or resulting from, in whole or in part, any actual, alleged, or threatened migration; release; existence; or presence of, or actual, alleged, or threatened exposure to, 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.
16. Resulting from the discharge or use of any firearm or weapon in connection with the **ownership**, maintenance or use of any **auto**.
17. Resulting from the use of any **auto** by:
    a. An excluded driver;
    b. An **undisclosed operator**; or
    c. Any person with a revoked or suspended driver's license or permit.
18. Sustained by any person while maintaining or using a **motor vehicle** knowingly converted by that person. However, this exclusion does not apply to:
    a. **You**; or
    b. Any **family member**.
19. Sustained by any person who, at the time of the **accident**:
    a. Is the owner of one or more registered **motor vehicles** and none of those **motor vehicles** have in effect the financial responsibility required by the Indiana financial responsibility law; or
    b. Is **occupying** a **motor vehicle** owned by that person for which the financial responsibility required by the Indiana financial responsibility law is not in effect.

20. Sustained by any person injured by a **covered auto** while it is unoccupied and parked so as to not cause unreasonable risk of injury.
21. That amount of any expense for medical services which is paid or payable under any other:
    a. Automobile or premises medical payments insurance expenses;
    b. Individual, or group accident, disability or hospitalization insurance;
    c. Medical or surgical reimbursement plan; or
    d. Personal injury protection coverage.
22. For **bodily injury** arising out of the ownership or operation of any vehicle while it is being used to flee a law enforcement agent or a crime scene.
23. For **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by any **insured** under a:
    a. Workers' compensation;
    b. Unemployment compensation;
    c. Non-occupational or occupational disease;
    d. Disability benefits; or any similar law.
24. That occurs while any person, who is specifically excluded from coverage under Part A – LIABILITY COVERAGE pursuant to a Named Driver Exclusion Endorsement or under any other provision of this Policy, is operating an **auto**.

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**.
2. Any vehicle, other than a **covered auto** 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 a **covered auto** 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**.

However, this Exclusion B.3. does not apply to **you**.

4. 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. 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 each person 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. Insurers
3. Claimants;
4. Claims made;
5. Lawsuits filed;
6. Vehicles shown on the **Declarations Page**;
7. Premiums shown on the **Declarations Page**;
8. Vehicles involved in the **accident**; or
9. 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 COVERAGE, 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.

D. Any amount payable under this coverage shall be excess over any amounts paid, payable or required to be provided to an **insured** under any workers' compensation law or similar law.

OTHER CLAIMS AND JUDGMENTS

Any loss payment under this coverage will apply toward payment of any claim or judgment relating to the same element of loss under the **Bodily Injury** Liability coverage of this policy. **We** will require written agreement to this condition before payment of a Medical Payments loss.

ASSIGNMENT OF BENEFITS

We will pay for **medical expenses** directly to a licensed health care provider if the **insured** gives **us** 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 expenses, **we** will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance **we** provide for an **insured occupying** a vehicle or trailer, other than a **covered auto**, will be excess over any other insurance providing payments for **medical expenses**.

B. If multiple auto policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

PART C (I) > UNINSURED/ UNDERINSURED 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/Underinsured 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** or an **underinsured 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/UNDERINSURED MOTORIST BODILY INJURY COVERAGE

As used in this PART C (I):

A. **"Insured"** means:

   1. **You** or any **family member**.
   2. Any other person **occupying** a **covered auto** with, and within the scope of, **your** express or implied permission.
   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 hits:
      a. **You** or a **family member**;
      b. A vehicle that **you** or a **family member** are **occupying**; or
      c. A **covered auto**.

      Provided that the **insured** or someone on his or her behalf reports the **accident** to the police and provides a report setting forth the facts of the **accident** to **us** within 30 days 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;
      b. Is or becomes insolvent; or
      c. Provides **bodily injury** liability bond or policy at the time of the accident, but its limit of liability for **bodily injury** is less than the minimum limit of liability for **bodily injury** specified by the financial responsibility law of the state in which the **your auto** is principally garaged or any similar financial responsibility laws of another state in which the **accident** occurred.

   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. **Owned** by any governmental unit or agency;
3. Operated on rails or crawler treads;
4. Designed mainly for use off public roads while not on public roads;
5. While located for use or being used as a residence or premises;
6. **Owned** by, furnished to or made available for the regular use of **you** or any **family member**;
7. Which is shown on the **Declarations Page** or which is insured for coverage under PART A of this Policy;
8. That is not required to be registered as a motor vehicle; or
9. Which is an **underinsured motor vehicle**.

C. **"Underinsured motor vehicle"** means a land motor vehicle or **trailer** 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:**

1. Is less than the coverage limit for Underinsured Motorist Bodily Injury Coverage shown on the **Declarations Page;** or
2. Has been reduced by payments for **bodily injury** to persons injured in the accident such that the amount actually received by an **insured** is less than the per person coverage limit for Uninsured/Underinsured Motorist Bodily Injury Coverage shown on the **declarations page**.

"**Underinsured motor vehicle**" does not include any vehicle or equipment:

1. **Owned** by any governmental unit or agency;
2. Operated on rails or crawler treads;
3. Designed mainly for use off public roads while not on public roads;
4. While located for use or being used as a residence or premises;
5. **Owned** by, furnished to or available for the regular use of **you** or any **family member**;
6. Which is shown on the **Declarations Page** or which is insured for coverage under PART A of this Policy;
7. That is not required to be registered as a motor vehicle; or
8. Which is an **uninsured motor vehicle**.

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

A person seeking coverage under PART C (I) > UNINSURED/UNDERINSURED 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 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 **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 **underinsured motor vehicle**.
8. Give **us** proof that the limits of liability under any liability policies that apply to an **uninsured motor vehicle** or **underinsured 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/Underinsured Motorist Coverage for **bodily injury** sustained by any **insured**:

1. If the **insured** or his or her legal representative, without thirty (30) days 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;

   and, in doing so, impairs or prejudices **our** rights or interests.
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. Caused intentionally by, or at the direction of, an **insured** or that is, or should be, reasonably expected to result from an intentional act of an **insured** even if the actual **bodily injury** that results is different than that which was intended.

4. Arising out of, and in the course of, employment. This exclusion does not apply to **bodily injury** to a domestic employee unless worker's compensation, disability benefits or similar benefits are required or available for that domestic employee.
5. While **occupying** a **covered auto** while it is being used to **carry persons or property for compensation or a fee**, or as a public or livery conveyance. This includes the use of any vehicle for retail or wholesale delivery, including but not limited to the pickup, transportation, or delivery of magazines, newspapers, mail, or food. This exclusion does not apply to a share-the-expense car pool.
6. That occurs while the **insured** is employed or otherwise engaged in any **motor vehicle business**. However, this exclusion does not apply to the **ownership**, maintenance or use of a **covered auto** by **you** or a **family member**.
7. That occurs while maintaining or using any vehicle while an **insured** is employed or otherwise engaged in any **business** (other than farming or ranching). However, if a **business** or artisan use is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**; maintenance; or use of that **auto** by:
   a. **You**;
   b. Any **family member**; or
   c. Any partner, agent or employee of **your** or any **family member**.
8. While using an **auto** without the **owner's** express or implied permission or beyond the scope of the **owner's** express or implied permission. This exclusion does not apply to **you** or a **family member** when using or **occupying** a **covered auto**.
9. 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.
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. That results from an **accident** or **loss** that occurs while the **insured** is committing a **crime**. This exclusion applies regardless of whether the **insured** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations.
13. 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.
14. Resulting from the discharge or use of any firearm or weapon in connection with the **ownership**, maintenance or use of any **auto**.
15. **A**rising out of the ownership or use of an **auto** while it is used by a **transportation network company** driver who is logged onto a **transportation network company's digital network** but is not engaged in a **transportation network company prearranged trip** or while the driver provides a **transportation network company prearranged trip.**

B. **We** do not provide Uninsured/Underinsured Motorist 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 use of a **trailer**.
2. Any vehicle which is not insured for Uninsured/Underinsured Motorist Bodily Injury 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.
3. Any vehicle which is not insured for Uninsured/Underinsured Motorist Bodily Injury 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**.
4. 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.

This exclusion does not apply to **you** or a **family member**.

C. 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.

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/Underinsured 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/Underinsured 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/Underinsured 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/UNDERINSURED 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. Personal Injury Protection Coverage or No-Fault Coverage; or

d. Medical Payments Coverage.

F. No one will be entitled to receive duplicate payments for the same elements of **loss** or damage under PART C (1) 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.

G. The maximum amount payable for **bodily injury** is the lesser of:

1. The difference between:

a. the amount paid in damages to the **insured** by or for any person or organization who may be liable for the **insured's bodily injury**; and

b. the per-person limit of uninsured or underinsured motorist coverage; or

2. the difference between:

   a. the total amount of damages incurred by the **insured**; and

   b. the amount paid by or for any person or organization liable for the **insured's bodily injury**.

OTHER INSURANCE

A. If there is other Uninsured/Underinsured Motorist Bodily Injury Coverage, or similar insurance, that applies or is available under one or more policies, **we** will pay only **our** share of the damages or **loss**. **Our** share is the proportion that **our** limits of liability under this PART C (I) bears to the total of all applicable limits with the same priority as this coverage on either a primary or excess basis, whichever is applicable.

B. However:

   1. The total recovery under all such policies or coverage may not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.

   2. Any insurance **we** provide with respect to a vehicle that **you** do not own shall be excess over any collectible insurance, self-insurance, proceeds from a governmental entity or sources of recovery providing coverage on a primary basis.

   3. Any insurance **we** provide to an **insured** that is not **occupying** a **covered auto** shall be excess over any collectible insurance providing insurance on a primary basis.

   4. In any event, if more than one Policy issued by **us** or an affiliated company applies on an excess basis to the same **loss**, **we** will pay only up to the highest limit of any one of them.

ARBITRATION

A. If **we** and an **insured** do not agree:

   1. Whether the **insured** is legally entitled to recover damages for **bodily injury** under this PART C (I); or

   2. On the amount of damages that are recoverable by the **insured**;

   then upon mutual agreement of both parties, only these two issues may be submitted to arbitration. However, unless required by law, neither party may be compelled to participate in arbitration, and neither party shall be liable to the other for refusing to arbitrate.

B. If both **we** and an **insured** agree to arbitration, each party will select a competent, licensed and impartial arbitrator. The two arbitrators will select a third arbitrator. If they cannot agree upon the selection of a third arbitrator within thirty (30) days, **you** or **we** may request that a judge of a court of record, in the county where the **insured** lives, select the third arbitrator.

C. Unless both parties agree otherwise, arbitration will take place in the county in which the **insured** lives and the American Arbitration Association rules as to procedure and evidence will apply. If the parties do not agree to be governed by the American Arbitration Association rules, local rules of law as to procedure and evidence will apply.

D. A decision agreed to by two of the arbitrators will be binding as to:

   1. Whether the **insured** is legally entitled to recover damages; and

   2. The amount of the damages.

   However, the decision shall be binding only if the amount of damages awarded does not exceed:

   1. The limits for **bodily injury** shown on the **Declarations Page** for Uninsured/Underinsured Motorist Bodily Injury Coverage; or

   2. The **minimum limit** for **bodily injury**.

   If the amount of the arbitrators' award exceeds the **minimum limit** for **bodily injury**, either party may demand the right to trial. This demand must be made within sixty (60) days of the arbitrators' decision. If this demand is not made within sixty (60) days, the amount of damages agreed to by the arbitrators will be binding.

E. The arbitrators shall have no authority to:

   1. Award an amount in excess of the limit of liability for this coverage as shown on the **Declarations Page**;

   2. Award any amount as **punitive or exemplary damages**;

   3. Award any costs or fees;

   4. Award any amount as interest;

   5. Decide any coverage issue; or

   6. Decide any issues or resolve any dispute with respect to anything other than:

      a. The legal liability of the **owner** or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**; and

      b. The amount of compensatory damages that is recoverable by the **insured**.

F. Each party will:

   1. Pay its own arbitrator and the costs, fees and other expenses it incurs; and

   2. Bear the expenses of the third arbitrator equally.

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 must be commenced within the time limit allowed for such actions as provided by law for:

1. Death actions if the claim involves death of an **insured**; or
2. Bodily injury actions if the claim involves injury to an **insured** but not death.

The laws of the state in which the accident occurred will determine these time limits.

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** or any attorney's fees or costs associated therewith.

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.

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

As used in this PART C (II):

A. "**Insured**" means **you** or any **family member**.

B. "**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.

C. **"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.

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

   1. To which no **property damage** liability bond or policy applies at the time of the **accident**.
   2. 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;
      b. Is or becomes insolvent; or
      c. Provides **property damage** liability bond or policy at the time of the accident, but its limit of liability for **property damage** is less than the minimum limit of liability for **property damage** specified by the financial responsibility law of the state in which **your auto** is principally garaged or any similar financial responsibility laws of another state in which the **accident** occurred.

   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. **Owned** by any governmental unit or agency;
   3. Operated on rails or crawler treads;
   4. Designed mainly for use off public roads while not on public roads;
   5. While located for use or being used as a residence or premises;
   6. **Owned** by, furnished to or made available for the regular use of **you** or any **family member**;
   7. Which is shown on the **Declarations Page** or which is insured for coverage under PART A of this Policy; or
   8. That is not required to be registered as a motor vehicle: or
   9. For which the identity of the owner or operator is unknown.

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 after an **accident**.

3. Report the **accident** to **us** within thirty (30) days of the **accident**. Information reported must include:
    a. The interest the **insured** and all others have in the damaged property;
    b. Any encumbrances on it;
    c. Its cash value at the time of loss;
    d. The time, place, cause, and amount of loss;
    e. The kind and amount of all other insurance covering the property.
    f. The name and address of the at-fault operator and any other information to establish the at-fault operator is without motor vehicle liability insurance; and
4. Make damaged property available for **our** inspection.
5. Serve a copy of any legal action and all pleadings on **us** as required by law.
6. Send **us** copies of legal papers if a lawsuit is commenced.
7. At **our** request, take necessary action to preserve the **insured's** right to recover damages from anyone alleged to be legally liable.

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 **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 **property damage** and **we** have not been given prior written consent to the **insured** to proceed with that lawsuit.
    2. Caused intentionally by, or at the direction of, an **insured** or that is, or should be, reasonably expected to result from an intentional act of an **insured.**
    3. While **occupying** a **covered auto** while it is being used to **carry persons or property for compensation or a fee**, or as a public or livery conveyance. This includes the use of any vehicle for retail or wholesale delivery, including but not limited to the pickup, transportation, or delivery of magazines, newspapers, mail, or food. This exclusion does not apply to a share-the-expense car pool.
    4. While using an **auto** without the **owner's** express or implied permission or beyond the scope of the **owner's** express or implied permission. This exclusion does not apply to **you** or a **family member** when using or **occupying** a **covered auto**.
    5. Arising out of the **ownership**, maintenance, or use of any vehicle while **racing**.
    6. That results from an **accident** or **loss** that occurs while the **insured** is committing a **crime**. This exclusion applies regardless of whether the **insured** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations.
    7. Arising out of the ownership or use of an **auto** while it is used by a **transportation network company** driver who is logged onto a **transportation network company's digital network** but is not engaged in a **transportation network company prearranged trip** or while the driver provides a **transportation network company prearranged trip.**
    8. Which directly or indirectly benefits any insured of property.
    9. For diminution in value.
    10. For the amount of the deductible, if any, listed on the **Declarations Page**.
    11. If the **owner** or operator of the **uninsured motor vehicle** has not been identified.

B. **We** do not provide Uninsured Motorist Property Damage Coverage for any **insured** for **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 use of a **trailer**.
    2. 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.
    3. 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**.
    4. 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.

This exclusion does not apply to **you** or a **family member**.

C. Coverage under this PART C (II) shall not apply directly or indirectly to benefit any insurer, self-insurer or insured 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**.

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 for vehicles that are older than five (5) years past the date of manufacture, **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 there is other Uninsured Motorist Property Damage Coverage, or similar insurance, that applies or is available under one or more policies, **we** will pay only **our** share of the damages or **loss**. **Our** share is the proportion that **our** limits of liability under this PART C (II) > UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE bears to the total of all applicable limits with the same priority as this coverage on either a primary or excess basis, whichever is applicable. Any applicable deductible of this Policy will be taken in a proportionate share based on the applicable deductibles of each policy.

B. However:

1. The total recovery under all such policies or coverage may not exceed the highest applicable

limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.

2. Any insurance **we** provide with respect to a vehicle that **you** do not own shall be excess over any collectible insurance providing coverage on a primary basis.

ARBITRATION

A. If **we** and an **insured** do not agree:

1. Whether the **insured** is legally entitled to recover damages for **property damage** under this PART C (II); or

2. On the amount of damages that are recoverable by the **insured**;

then upon mutual agreement of both parties, only these two issues may be submitted to arbitration. However, unless required by law, neither party may be compelled to participate in arbitration, and neither party shall be liable to the other for refusing to arbitrate.

B. If both **we** and an **insured** agree to arbitration, each party will select a competent, licensed and impartial arbitrator. The two arbitrators will select a third arbitrator. If they cannot agree upon the selection of a third arbitrator within thirty (30) days, **you** or **we** may request that a judge of a court of record, in the county where the **insured** lives, select the third arbitrator.

C. Unless both parties agree otherwise, arbitration will take place in the county in which the **insured** lives and the American Arbitration Association rules as to procedure and evidence will apply. If the parties do not agree to be governed by the American Arbitration Association rules, local rules of law as to procedure and evidence will apply.

D. A decision agreed to by two of the arbitrators will be binding as to:

1. Whether the **insured** is legally entitled to recover damages; and

2. The amount of the damages.

However, the decision shall be binding only if the amount of damages awarded does not exceed:

1. The limits for **bodily injury** shown on the **Declarations Page** for Uninsured Motorist Property Damage Coverage; or

2. The **minimum limit** for **property damage**.

If the amount of the arbitrators' award exceeds the **minimum limit** for **property damage**, either party may demand the right to trial. This demand must be made within sixty (60) days of the arbitrators' decision. If this demand is not made within sixty (60) days, the amount of damages agreed to by the arbitrators will be binding.

E. The arbitrators shall have no authority to:

1. Award an amount in excess of the limit of liability for this coverage as shown on the **Declarations Page**;

2. Award any amount as **punitive or exemplary damages**;

3. Award any costs or fees;

4. Award any amount as interest;

5. Decide any coverage issue; or

6. Decide any issues or resolve any dispute with respect to anything other than:

a. The legal liability of the **owner** or operator of an **uninsured motor vehicle** and

b. The amount of compensatory damages that is recoverable by the **insured**.

F. Each party will:

1. Pay its own arbitrator and the costs, fees and other expenses it incurs; and

2. Bear the costs and expenses of the third arbitrator equally.

SUBROGATION

We have the right of subrogation under this coverage. This means that after paying a **loss** to **you** or others under this policy, **we** will have the **insured's** right to sue for or otherwise recover such **loss** from anyone else who may be held liable. Also, **we** may require reimbursement from the **insured** out of any settlement or judgment that duplicates **our** payments. These provisions will be applied in accordance with state law. Any **insured** will sign such papers, and do whatever else is necessary, to transfer these rights to **us**, and will do nothing to prejudice them.

PART D > COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT – COLLISION COVERAGE

If **you** pay **us** the premium for Collision Coverage and it is shown on the **Declarations Page**, **we** will pay for **loss** caused by a **collision** to:

1. A **covered auto** and its permanently installed equipment; and

2. Any **non-owned auto**.

Our payment will be reduced by the applicable deductible shown on the **Declarations Page**. No coverage will apply to any **additional auto** or **replacement auto** at any time if such **auto** or its use is not an acceptable risk under **our** Rules in effect at the time the **auto** is added to the Policy.

INSURING AGREEMENT – COMPREHENSIVE COVERAGE

If **you** pay **us** the premium for Comprehensive Coverage and it is shown on the **Declarations Page**, **we** will pay for **loss** caused by **other than collision** to:

1. A **covered auto** and its permanently installed equipment; and
2. Any **non-owned auto**

Our payment will be reduced by the applicable deductible shown on the **Declarations Page**. No coverage will apply to any **additional auto** or **replacement auto** at any time if such **auto** or its use is not an acceptable risk under **our** Rules in effect at the time the **auto** is added to the Policy.

CHILD RESTRAINTS

In the event of a **loss** to which Collision Coverage or Comprehensive Coverage applies and **we** determine that 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. The child safety seat or restraint system must have been in the **covered auto** or **non-owned auto** at the time of the covered **loss**. If a covered **loss** occurs when the child safety seat or restraint system is in a **non-owned auto**, **we** will provide the broadest coverage applicable to any **covered auto** shown on the **Declarations Page**. No deductible applies to this child safety seat or restraint system.

TOWING AND LABOR COVERAGE

A. Subject to the each occurrence and each term limit shown on the **Declarations Page**, if **you** pay **us** the premium for Towing and Labor Coverage, **we** will pay the reasonable cost, as determined by **us**, that **you** incur for a **covered auto** or any **non-owned auto** for:
   1. Mechanical labor up to one hour at the place where the **covered auto** or **non-owned auto** broke down;
   2. Towing to the nearest place where the necessary repairs can be made during regular business hours if the **covered auto** or **non-owned auto** will not run;
   3. Towing the **covered auto** or **non-owned auto** out if it is stuck on or immediately next to a public roadway; and
   4. Delivery of gas, oil, battery or change of tire.

B. Towing and Labor Coverage will apply only to the **covered auto** for which this coverage and specific premium are shown on the **Declarations Page**. Towing and Labor Coverage applies to a **non-owned auto** only if this coverage has been purchased for an **auto** shown on the **Declarations Page**.

C. **We** will not pay for the cost of the necessary repairs or the cost of the gas, oil, battery or tire.

D. The each occurrence and each term limit shown on the **Declarations Page** for this coverage is the most **we** will pay for any one **loss**. This coverage is limited to no more than two (2) occurrences per policy period.

E. **You** will not be entitled to receive duplicate payment under this coverage for reasonable costs **you** incur and which are covered elsewhere under this Policy.

F. **We** will only provide Towing and Labor Coverage within the policy territory as defined in the GENERAL PROVISIONS of this Policy.

TRANSPORTATION EXPENSES COVERAGE

A. **We** will pay up to $20 per day subject to a maximum limit of $600 for:
   1. Transportation expenses incurred by **you** from a commercially licensed rental agency in the event of a total theft of a **covered auto**. This applies only if Comprehensive Coverage has been purchased for the **covered auto**; or
   2. Loss of use expenses for which **you** become legally responsible in the event of a total theft of a **non-owned auto**. This applies only if the **Declarations Page** indicates that Comprehensive Coverage applies to any **covered auto**.

   A deductible will not apply to this coverage.

B. **We** will pay only transportation expenses or loss of use expenses, whichever is applicable, incurred during the period:
   1. Beginning forty-eight (48) hours after **you** notify the police and **us** of the theft of a **covered auto** or a **non-owned auto**; and
   2. Ending the earlier of:
      a. When a **covered auto** or a **non-owned auto** has been recovered and returned to **you** or its **owner**;
      b. When a **covered auto** or a **non-owned auto** has been recovered and repaired;
      c. When a **covered auto** or a **non-owned auto** has been replaced;
      d. Seventy-two (72) hours after **we** make an offer to pay for the **loss** if the **covered auto** or a **non-owned auto** is deemed by **us** to be a total **loss** or unrecoverable; or
      e. When **you** have incurred the maximum $600 expense limit.

C. **We** will not pay for transportation expenses if there is a theft only of **your trailer**.

D. **You** must give **us** written verifiable proof of **your** transportation and/or loss of use expenses.

E. At **your** request, **we** will guarantee payment of transportation expenses to the provider of such transportation up to $20 per day, to a maximum limit of $600, and shall pay such provider directly.

F. There shall be no duplicate recovery for the same elements of **loss** or expense under this coverage and any other coverage provided by this Policy. However, if **you** purchase Rental Reimbursement

Coverage with the same or higher limits of coverage than this section provides, then the provisions and limits of the Rental Reimbursement Coverage shall apply to the total theft of a **covered auto** and **non-owned auto**. Transportation Expenses Coverage cannot be combined or stacked with the Rental Reimbursement Coverage provided under PART D.

RENTAL REIMBURSEMENT COVERAGE

A. Subject to the each day and each **accident** limit shown on the **Declarations Page**, if **you** pay **us** the premium for Rental Reimbursement Coverage, **we** will reimburse **you** or, at **our** option, pay directly on **your** behalf the daily rental expenses incurred by **you** when **you** rent an **auto** from a commercially licensed rental agency approved by **us**. No deductible will apply to this coverage. Rental Reimbursement Coverage will apply only to the **covered auto** for which this coverage and a specific premium are shown on the **Declarations Page**.

B. The length of time for which this coverage will apply will be limited to the lesser of:

   1. The period of time reasonably required, as determined by **us**, to repair a **covered auto**; or
   2. Seventy-two (72) hours after **we** make an offer to pay the **actual cash value** of the **covered auto** in the event of a total **loss**.

C. Daily rental expenses shall not include the cost of:

   1. Insurance related to the rental of the **auto**;
   2. Refueling the rental **auto**;
   3. Mileage fees;
   4. Navigation devices;
   5. Collision damage waiver; or
   6. Tolls.

D. Rental Reimbursement Coverage applies only if the **covered auto** is withdrawn from use for more than twenty-four (24) hours and:

   1. **You** have purchased Collision Coverage for that **covered auto** and the **loss** falls under that coverage; or
   2. **You** have purchased Comprehensive Coverage for that **covered auto** and the **loss** falls under that coverage.

E. If **you** purchase Rental Reimbursement Coverage with a limit lower than that provided for in the Transportation Expenses Coverage provision in PART D and the **loss** involves the total theft of a **covered auto**, then the limits and provisions applicable to transportation expenses under Transportation Expenses Coverage will apply.

F. Rental Reimbursement Coverage cannot be combined or stacked with the Transportation Expenses Coverage provided under PART D.

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 **customized equipment and parts** is the lowest of:

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

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

B. The limit of liability for **loss** to **customized equipment and parts** under this coverage is the lowest of:

   1. The **actual cash value** of such **customized equipment and parts**, reduced by the applicable deductible and by its salvage value if **you** or the **owner** retain the salvage;
   2. The amount necessary to repair the **customized equipment and parts**, reduced by the applicable deductible;
   3. The amount necessary to replace the **customized equipment and parts**, reduced by the applicable deductible and reduced by its salvage value if **you** or the **owner** retain the salvage; or
   4. The limit of liability for Additional Customized Equipment and Parts Coverage shown on the **Declarations Page**.

C. Coverage for **customized equipment and parts** shall not cause **our** limit of liability for **loss** to an **auto** under this PART D > COVERAGE FOR DAMAGE TO YOUR AUTO to be increased to an amount in excess of:

1. The **actual cash value** of the **auto**, including its **customized equipment and parts** covered under this coverage; or
2. Any applicable limits or stated amount elected by **you** shown on the **Declarations Page** for this coverage.

D. Any amount payable under this coverage shall be reduced to the extent any expense is payable under any other coverage under this Policy.

E. There shall be no duplicate recovery for the same elements of **loss** or expense under this coverage and any other coverage provided by this Policy.

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

As used in this PART D:

A. **"Collision"** means the upset of a **covered auto** or a **non-owned auto** or its impact with another vehicle or object.

B. **"Comprehensive"** and **"other than collision"** mean a l**oss** caused by, but not limited to, the following:

1. Missiles or falling objects;
2. Fire or lightning;
3. Theft or larceny;
4. Explosion or earthquake;
5. Windstorm;
6. Hail 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; or 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 but expressly excludes telephones; radar detectors; televisions; two-way mobile radios; scanning monitor receivers used for radar detection; or any other device designed to detect or deter the monitoring of speed. The **customized equipment and parts** must be permanently installed in a **covered auto** using bolts, brackets or slide-out brackets. **Customized equipment and parts** does not include snow plows or snow removal equipment.

D. **"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 or the manufacturer of the **auto** that the manufacturer intends as a part of the **auto** or manufacturer's option when new.

E. **"Permanently installed"** means original equipment installed by the manufacturer that is bolted down, affixed or otherwise installed to become a permanent fixture of the vehicle.

F. **"Your trailer**", as used in PART D only, 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:

1. **Owned** by **you**; and
2. Shown on the **Declarations Page**; and

is not being used:

1. As a primary residence, office, store, **business** or for display purposes;
2. For commercial purposes; or
3. To transport passengers.

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** to a **covered auto** or any **non-owned auto** that occurs while it is being used to **carry persons or property for compensation or a fee** or as a public or livery conveyance. This exclusion does not apply to a share-the-expense car pool.
3. **Loss** to a **covered auto** or any **non-owned auto** being maintained or used by any person while employed or otherwise engaged in any **motor vehicle business**.

4. **Loss** to a **covered auto** while maintained or used by any person employed or otherwise engaged in any **business** (other than farming or ranching). This includes the use of any vehicle for retail or wholesale delivery, including but not limited to the pickup, transportation, or delivery of magazines, newspapers, mail, or food. If a **business** or artisan use is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**, maintenance, or use of that **auto** by:
    a. **You**; or
    b. Any **family member**.
5. **Loss** to any vehicle 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 purposes 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;
    c. Nuclear Insurance Association of Canada.
6. **Loss** to a **covered auto** or any **non-owned auto** while such **auto** is engaged in **racing**.
7. **Loss** that occurs while a **covered auto** or a **non-owned auto** is being used in the course of committing a **crime**. This exclusion applies regardless of whether the **insured** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations. This does not apply to **loss** that occurs when the **covered auto** or **non-owned auto** has been stolen.
8. **Loss** arising out of the ownership or use of an **auto** while it is used by a **transportation network company** driver who is logged onto a **transportation network company's digital network** but is not engaged in a **transportation network company prearranged trip** or while the driver provides a **transportation network company prearranged trip.**
9. **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.
10. **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.
11. Damage due and confined to:
    a. Wear and tear;
    b. Freezing;
    c. Mechanical, electronic or electrical breakdown or failure;
    d. Negligent repair or service;
    e. Deterioration, rust or corrosion; or
    f. Road damage to tires.

    This exclusion does not apply if the damage results from the total theft of a **covered auto** or any **non-owned auto** to which Comprehensive Coverage under this Policy applies.
12. **Loss** to a **trailer you own** that is not shown on the **Declarations Page**.
13. **Loss** to a **covered auto** or any **non-owned 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** or **non-owned auto**.

    This exclusion does not apply to the interests of Loss Payees in a **covered auto**.
14. **Loss** to equipment designed or used for the detection or location of radar, laser or other speed measuring equipment or its transmission.
15. **Loss** to wearing apparel or tools.
16. **Loss** to portable 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.

17. Damage due and confined to:

a. Prior **loss** or damage;

b. Manufacturer's defects or faulty materials; and

c. **Your** lack of routine and/or proper maintenance as prescribed by the manufacturer.

18. **Loss** due to theft, larceny or conversion of a **covered auto** or its equipment:

a. By **you**, a **family member** or any other persons listed as a driver on the **Declarations Page**; or

b. Where there is no visible sign of forced entry into the **covered auto**.

19. **Loss** to a **covered auto**:

a. Prior to its delivery to **you**; or

b. Due to theft prior to its delivery to **you**.

20. **Loss** resulting from the purchase of a **covered auto** from any person or organization other than the **auto's** rightful **owner**.

21. **Loss** to a snow plow or any snow removal equipment.

22. **Loss** to a recreational vehicle, motor home or travel trailer.

23. Amounts incurred for:

a. Mileage;

b. Fuel;

c. **Collision** damage waiver;

d. Navigation devices;

e. Insurance; or

f. Tolls.

24. **Loss** arising out of any liability assumed by **you** or a **family member** under any contract or agreement.

25. **Loss** resulting from the use of any **auto** by:

a. An excluded driver;

b. An **undisclosed operator**;

c. Any person with a revoked or suspended driver's license or permit.

26. **Loss** to a camper or living quarters unit which can be mounted on or attached to a vehicle.

27. **Loss** to any tools or repair equipment.

28. **Loss** to custom paint work

29. Loss to a **covered auto** or any other **non-owned auto** for diminution in value or depreciation. Diminution in value means decrease in value or **loss** of value as a result of **your auto** being involved in an accident.

30. Loss to a **covered auto** while it is pulling or pushing another vehicle or is being pulled or pushed by a vehicle.

31. Loss arising out of the ownership or operation of any vehicle while it is being used to flee a law enforcement agent or a crime scene.

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** 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 **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. 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. If **you** have declared a stated amount 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 **customized equipment and parts**.

D. For vehicles that are older than five (5) years past the date of manufacture, 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. PART D > COVERAGE FOR DAMAGE TO YOUR AUTO does not cover, and **we** will not pay for, **diminution in value**.

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 D are subject to the terms set forth here:

1. No more than one deductible shall be applied to any one covered **loss**.
2. If coverage applies to a **non-owned auto**, **we** will provide the broadest coverage applicable to any **covered auto** shown on **your Declarations Page** provided the **non-owned auto** is not an unacceptable risk under our Rules at the time of **loss**. The highest deductible on any **covered auto** shall apply.
3. 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.
4. The **actual cash value** is determined by the market value, age and condition of the vehicle at the time the **loss** occurs.
5. 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. After an **accident** to which PART D applies, **we** will pay reasonable charges, as determined by **us**, for transporting and storing a **covered auto** or any **non-owned 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**.

PAYMENT OF LOSS

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

B. **We** may, at **our** expense, return any stolen property to **you** or to the address last known by **us**. If **we** return stolen property, **we** will pay for any direct physical damage to a **covered auto** or any **non-owned auto**, or its equipment, resulting from the theft, subject to the provisions of the **LIMIT OF LIABILITY** section. **We** may keep all or part of the property at an agreed or appraised value, but there shall be no abandonment to **us**.

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

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 directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

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

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

APPRAISAL

A. If **we** and **you** do not agree on the amount of **loss**, either may demand an appraisal of the **loss**. In this event, each party will select a competent, licensed and impartial appraiser within fifteen (15) days of the demand for appraisal. The two appraisers will select an umpire. If they are unable to agree upon an umpire within fifteen (15) days, **we** or **you** may request that a judge of a court of record, in the county where **you** live, select an umpire. The appraisers will state separately the **actual cash value** and the amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

C. 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, misrepresentations, conversion, secretion or embezzlement of a **covered auto** or **non-owned 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** and Application, which are incorporated into and made part of this Policy, 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.
2. To cooperate with **us** in determining if this information is correct and complete.
3. That you have a continuing duty 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**;
   b. The operators using the **autos** insured under **your** Policy (either additions or deletions), but in any event all household members of eligible driving or permit age, including **you**, **your** spouse, roommate(s) as well as those drivers outside of the household to whom the **insured auto(s)** is furnished or available for his or her use. This includes those who even occasionally drive a **covered auto**, including people in the military, those away at school and household members with suspended or revoked drivers licenses, who must be identified and listed. **You** also must advise **us** within 30 days of when any household member or operator becomes of eligible driving or permit age;
   c. People **residing** in **your** household;
   d. **Your** address and/or the principal place where **you** garage any of the **autos** insured under this Policy;
   e. The use of **autos** insured under **your** Policy;
   f. **You** or a **family member** obtain a driver's license or operator's permit or have a driver's license revoked, suspended or reinstated; or
   g. The marital status of **you**, a **family member** or any **regular operator**.

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.

DUTY TO REPORT CHANGES

A. **You** have a continuing duty to report to **us** all changes, including additions and deletions, in policy information. This includes, but is not limited to, changes in:

1. **Your** mailing address or **your** residence address;
2. The principal garaging address of any **covered auto**;
3. The residents in **your** household;
4. The persons of legal driving age residing in **your** household;
5. The persons who regularly operate a **covered auto**;
6. An operator's marital status; or
7. The driver's license or operator's permit status of **you**, a **family member**, or a **regular operator.**
8. The use of the **autos** insured under the Policy, this includes the use of the vehicle to carry persons or property for compensation or a fee, **TNC prearranged trips**, limousine, or taxi service, livery conveyance, including not-for-hire livery, or for retail or wholesale delivery, including but not limited to, the pick-up, transport, or delivery of magazines, newspapers, mail, or food.

If you fail to inform us of any changes within 30 days, we may void coverage as provided under the Misrepresentation and Fraud section.

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 the **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. 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 to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right. That person shall:

1. Do whatever is necessary to enable **us** to exercise **our** rights;
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 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 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 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.

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.
5. **We** have priority over an **insured** for any amounts recovered from the liable party to the extent of **our** payments to or on behalf of that **insured**.

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 as shown on the **Declarations Page**; and
    2. Within the policy territory.

B. The 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.

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 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** a notice of cancellation to the **named insured** at the address last known by **us**:
            i. At least ten (10) days notice:
                (a) If cancellation is for nonpayment of premium; or
                (b) If notice is **mailed** during the first fifty-nine (59) days of the initial policy period; or
            ii. At least twenty (20) days notice in all other cases.
    2. 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.
    3. 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:
        a. Nonpayment of premium;
        b. Material misrepresentation or fraud by **you** with respect to any material fact in the procurement, continuation, change or renewal of this Policy;
        c. Material misrepresentation or fraud in the submission of any claim under this Policy;
        d. The named insured or any other operator who either resides in the same household or customarily operates a **covered auto** has had an operator's license or motor vehicle registration denied, suspended or revoked during the policy period;
        e. The existence of one or more grounds for denial, suspension or revocation of the operator's license or motor vehicle registration of the named insured or any other operator who either resides in the same household or customarily operates a **covered auto** has become known;
        f. Y**ou** or any other operator who either resides in the same household or customarily operates a **covered auto**:
            i. is under treatment for epilepsy or heart disease and does not provide **us**, within a reasonable time, a certificate from a physician testifying that the person

under treatment is able, without qualification, to safely operate a motor vehicle; or

ii. uses drugs or alcohol to excess;

g. **Your** place of residence or the state of registration or license of a **covered auto** is changed to a state or country in which **we** do not accept applications for the insurance provided by this Policy;

h. **We** have agreed to issue a new policy within the same or an affiliated company;

i. Any of the terms or conditions of this Policy have been violated; or

j. Any other reason permitted by law.

For purposes of cancellation, this Policy is neither severable nor divisible. Any cancellation will be effective for all coverages for all persons and all vehicles.

B. **Nonrenewal**

If **we** decide not to renew or continue this Policy, **we** will **mail** notice to the **named insured** at the address last known by **us**. Notice will be **mailed** at least twenty (20)days before the end of the policy period.

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. 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 expired without renewal.

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.

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 cancelled, the premium refund, if any, will be computed according to **our** manuals. 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.

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**, 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 or domestic partner, 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**.

MISREPRESENTATION AND FRAUD

A. This Policy was issued in reliance on the information provided on **your** written or verbal insurance Application and information provided by you pursuant to the DUTY TO REPORT CHANGES section of this Policy. **We** reserve the right, at **our** sole discretion, to void or rescind this Policy if **you** or a **family member**:

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 or **regular operators** of a **covered auto**.

B. If **we** void this Policy or any Policy term, **we** will not be liable for any claims or damages that would otherwise be covered.

C. **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**.

D. **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.

E. 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.

TWO OR MORE AUTO POLICIES

If this Policy and any other **auto** policy issued to **you** by **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.

TERMS OF POLICY CONFORM TO STATUTE

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 amended 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;

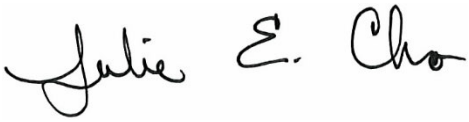
the electronic signatures will satisfy this requirement if the signature of the person authorized to perform the service of notarizing, verification, or acknowledgment is attached or logically associated with the signature or electronic signatures of record.

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.

In witness whereof, **we**, as officers of Direct General Insurance Company, have caused this Personal 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