South Carolina Personal Automobile Policy



10954NG (01012022)

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

Integon Indemnity Corporation

12324 (07012023)

WARNINGS:

UNDISCLOSED DRIVERS- If a person who resides with you or who is a regular operator of your covered auto(s) is not listed on your declarations page as a driver, coverage may not apply for that undisclosed driver. If you want coverage to apply, you must ask us or your agent to add that person to your policy.

PERMISSIVE DRIVERS – Under this policy, a permissive driver is only covered up to the minimum limits required by the Financial Responsibility Law of South Carolina.

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.

Table of Contents

AGREEMENT 1

DEFINITIONS 1

DUTIES AFTER AN ACCIDENT OR LOSS 4

GENERAL DUTIES 4

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO (PART D) 5

GENERAL DUTIES: 5

PART A - LIABILITY COVERAGE 6

INSURING AGREEMENT 6

ADDITIONAL DEFINITIONS FOR PART A - LIABILITY COVERAGE 6

SUPPLEMENTARY PAYMENTS 6

EXCLUSIONS 6

LIMIT OF LIABILITY 8

OUT OF STATE COVERAGE 9

FINANCIAL RESPONSIBILITY 10

OTHER INSURANCE 10

ARBITRATION-PROPERTY DAMAGE LIABILITY CLAIMS 10

PART B – MEDICAL PAYMENTS COVERAGE 10

INSURING AGREEMENT 10

ADDITIONAL DEFINITIONS FOR PART B – MEDICAL PAYMENTS COVERAGE 11

EXCLUSIONS 11

LIMIT OF LIABILITY 13

OTHER INSURANCE 13

PART C - UNINSURED / UNDERINSURED MOTORIST COVERAGE 13

INSURING AGREEMENTS 13

ADDITIONAL DEFINITIONS FOR PART C – UNINSURED / UNDERINSURED MOTORIST COVERAGE 13

ADDITIONAL DUTIES FOR PART C – UNINSURED/ UNDERINSURED MOTORIST COVERAGE 14

EXCLUSIONS – UNINSURED/ UNDERINSURED MOTORIST COVERAGE 14

LIMIT OF LIABILITY - UNINSURED/ UNDERINSURED MOTORIST COVERAGE 16

OTHER INSURANCE 17

ARBITRATION FOR BODILY INJURY CLAIMS 17

ARBITRATION FOR PROPERTY DAMAGE CLAIMS 18

PART D – COVERAGE FOR DAMAGE TO YOUR AUTO 18

INSURING AGREEMENT- COLLISION COVERAGE 18

INSURING AGREEMENT- COMPREHENSIVE COVERAGE 18

CHILD RESTRAINTS 18

TOWING AND LABOR COVERAGE 18

TRANSPORTATION EXPENSE COVERAGE–TOTAL THEFT 18

RENTAL REIMBURSEMENT COVERAGE 19

CUSTOMIZED EQUIPMENT AND PARTS COVERAGE 20

ADDITIONAL DEFINITIONS FOR PART D – COVERAGE FOR DAMAGE TO YOUR AUTO 20

EXCLUSIONS 20

LIMIT OF LIABILITY 23

PAYMENT OF LOSS 24

PERMISSION TO RELEASE VEHICLE 24

NO BENEFIT TO BAILEE 24

OTHER SOURCES OF RECOVERY 24

APPRAISAL 24

LOSS PAYABLE CLAUSE 25

PART E – GENERAL PROVISIONS 25

ADDITIONAL DEFINITIONS FOR PART E – GENERAL PROVISIONS 25

BANKRUPTCY 25

CHANGES 25

SETTLEMENT OF CLAIMS 26

LEGAL ACTION AGAINST US 26

OUR RIGHT TO RECOVER PAYMENT 26

POLICY PERIOD AND TERRITORY 27

OTHER PRODUCTS - PREMIUM OR PRICE 27

POLICY TERMINATION 28

A. Cancellation 28
B. Nonrenewal 28
C. Automatic Termination 28
D. Payment of Premium 28
E. Other Termination Provisions 29
TRANSFER OF YOUR INTEREST IN THIS POLICY 29
MISREPRESENTATION AND FRAUD 29
TWO OR MORE POLICIES 30
TERMS OF POLICY CONFORM TO STATUTES 30
JOINT AND INDIVIDUAL INTEREST 30
ELECTRONIC SIGNATURES 30

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 this 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 this 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 during the policy period that is in addition to the **auto(s)** shown on the **Declarations Page**, provided that:

1. No other insurance applies to the acquired **auto**.
2. **We** insure all **autos owned** by **you** on the date **you** take possession of the **auto**.
3. With respect to Liability Coverage under Part A and Uninsured/Underinsured Motorist Coverage under Part C of this policy, an **additional auto** will be afforded the same of level coverage as the other **autos** shown on the **Declarations Page**. This coverage will apply as of the date **you** acquire the **auto**, but only if **you** ask **us** to add the **auto** to **your** policy within 7 calendar days after you become the owner. If **you** do not timely notify **us** of an **additional auto**, no coverage will apply until the date and time **you** contact **us** and **we** agree to provide the coverage.
4. Coverage under Part D and any other optional coverages will not apply to an **additional auto** until after the date and time **you** expressly request that coverage for the **additional auto** and **we** agree to provide it.
5. **You** pay **us** any additional premium due.

D. "**Auto**" means a four wheel private passenger vehicle or a 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 14,000 pounds or less. **Auto** does not include:

1. Vans with cabs separate from the cargo area;
2. Delivery vans;
3. Step-vans;
4. Cargo cutaway vans;
5. Sprinter vans;
6. A box truck with a separate, box-like cargo area;
7. Vans with an occupant capacity of 12 or more persons; or
8. 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, profession, occupation, employment, trade, 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 (including, but not limited to, any mileage or expense allowance), or in the course of **business**, 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;
   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 **auto 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** that **you own** and that is shown on **your Declarations Page**, unless **you** have asked **us** to delete that **auto** from the Policy; or
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 60 days.

I. "**Crime**" means a conviction or plea agreement for any act or omission that is:

1. A state or federal felony in the United States or indictable offense in Canada;
2. An attempt to flee or elude law enforcement or a crime scene; or
3. An illegal activity, trade, or transportation.

"**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. "**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.

N. "**Family member**" means a person who is, at the time of the **auto accident** or **loss**:

1. Related to **you** by blood, marriage, or adoption and who **resides** in **your** household;
2. A ward, foster child, or stepchild who **resides** in **your** household;
3. **Your** unmarried, dependent children living temporarily away from home who intend to **reside** in **your** household.

O. "**Hazardous materials**" means:

1. Explosive, flammable, nuclear, or radioactive liquid or material;
2. Irritants, pollutants, or other contaminants; and
3. Pathogenic, poisonous, biological, toxic, or other types of similar dangerous materials;

but not to include fuel, fluids or chemicals that are ordinarily used for the operation of an **auto** or are ordinary household cleaning products.

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** or occupation of:

1. Selling;
2. Leasing or renting;
3. Repairing;
4. Servicing;
5. Delivering;
6. Loading or unloading;
7. Testing, including but not limited to road testing;
8. Storing;
9. Parking, including valet parking;
10. Towing; or
11. Cleaning;

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 **auto** that is not

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

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

V. "**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.

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

X. "**Original equipment manufactured**" 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 part of the **auto** or manufacturer's option when new.

Y. "**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.

Z. **"Permissive driver"** means any person operating a **covered auto,** with, and within the scope of, **your** express or implied permission and such person does not meet the definition of an **undisclosed operator**.

AA. "**Personal vehicle sharing program**" means a system or process, operated by a business, organization, network, group, or individual, that facilitates the sharing of private passenger motor vehicles for use by individuals, businesses, or other entities.

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

CC. "**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; or
3. Operating an **auto** on an indoor or outdoor track, course or trail designed or used for:
   a. A racing or speed contest or adventure;
   b. Demonstration driving;
   c. Driver or skills training;
   d. High performance driving; or
   e. Driving competition.

DD. "**Rated resident**" means a person, other than a **family member**, who at the time of an **auto accident** or **loss**:

1. **Resides** in **your** household;
2. Is listed on the Declarations Page as a driver;
3. Has a valid driver's license, or learner's permit, that has not been suspended or revoked; and
4. Is not an excluded driver as shown on **your Declarations Page**.

EE. "**Regular operator**" is someone who drives a **covered auto** at least once a week, or 2 days in a row, or at least 7 times over the 6 months immediately prior to an **auto accident** or **loss**.

FF. "**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 coverages under Part A-Liability and Part C-Uninsured/Underinsured Motorist Coverage as the **auto** shown on **your Declarations Page** that is being replaced.
2. Coverage under Part D-Coverage for Damage to Your Auto and any other optional coverages will not apply to a **replacement auto** until the date and time **you** expressly request that coverage for the **replacement auto** and **we** agree to provide it.
3. All coverage **we** provide for the **replacement auto** ends 7 calendar days after **you** become the **owner** if **you** do not ask **us** to insure it within those 7 calendar days.

4. 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.

GG. "**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' households.

HH. "**Ridesharing**" means the use of any vehicle to provide transportation of persons or property in connection with a **transportation network company** or **transportation network platform** from the time a user logs on to, or signs in to such a platform until the time the user logs out of, or signs off of, such platform, whether or not the user has accepted any passenger(s) or delivery assignment, including the time the user is on the way to pick up any passenger(s) or property, or is transporting any passenger(s) or property.

II. "**Trailer**" means a non-motorized device, including a farm wagon or farm implement, designed to be towed 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; or
2. For commercial or **business** purposes; or
3. To transport passengers.

JJ. "**Transportation network company**" or "**TNC**" means a person, corporation, partnership, sole proprietorship, or other entity operating in this State that uses a **transportation network platform.**

KK. **"Transportation network platform"** means any online-enabled application, software, website, system, or electronic or digital network used to connect customers with drivers using vehicles for the purpose of providing transportation or delivery services for compensation.

LL. "**Undisclosed operato**r" means a

1. Family member;
2. Person who **resides** in **your** household; or
3. **Regular operator**

who is not listed on **your** Policy at the time of application or within 7 days of becoming a **family member**, resident of **your** household, or **regular operator**.

MM. "**War**" means and includes:

1. War, declared or undeclared;
2. Civil war;
3. Insurrection;
4. Rebellion, rioting or revolution; or
5. Any consequence of any of these.

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

OO. "**You**" and "**your**" refer to:

1. The **named insured**; and
2. If **residing** in the same household at the time of the **auto 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.

PP. "**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**;
3. Shown on the **Declarations Page**; and
4. That is not insured under any other **auto** insurance policy;

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

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 will affect coverage provided under this Policy. Failure to comply with any of the duties in this Policy that prejudices **our** rights, interests, or ability to defend against a claim under this Policy will result in reduced **loss** payment or 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 **auto accident** or **loss** happened. Notice shall include at a minimum the following:

1. All known facts and circumstances, including, the time of occurrence, the location, the driving conditions as well as 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 under this Policy must:

1. Cooperate with **us** in the investigation, settlement, or defense of any claim or lawsuit, and assist **us** in:
   a. Making settlements;
   b. Obtaining or authorizing **us** to obtain or secure evidence;
   c. Giving evidence;
   d. Obtaining the attendance of witnesses at hearings and depositions; and
   e. The conduct of lawsuits.
2. Promptly send **us** copies of any notices or legal papers received in connection with the **auto accident** or **loss**. **We** will not pay for any 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 mental, medical, or physical exams by licensed health care providers **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 of the presence of any witness, person, or entity making a claim due to the same **auto accident** or **loss**, or any other person except for **your** attorney. **We** may:
   a. Also require an examination under oath from any **family member** or **rated resident** 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 of any recording of any examination under oath.
6. Give **us** written and recorded statements as often as **we** reasonably require.
7. Give **us** written authorization to obtain or copy:
   a. Medical records and reports, including current reports, notes and test results, records of prior medical history and treatment, therapy records, and counseling records;
   b. Credit and financial records;
   c. Photographs;
   d. Telephone, including cellular, text messaging and all other telephonic communication records, including billing records; and
   e. Other records **we** deem relevant in the investigation or settlement of a claim.
8. 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 **auto accident**.
10. Attend hearings and trials as **we** require.
11. Authorize **us** to get any information on any data, maintenance, or event recorder device installed in a **covered auto** as **we** deem relevant to the facts of the **auto accident** or **loss**.
12. Allow **us** to take any photographs and/or audio/video recordings **we** may require as a part of **our** investigation.
13. Convey title to and possession of the damaged, destroyed, or stolen property to **us** if **our** payment is based on a total **loss.**
14. Authorize **us** access to **your** personal records as often as **we** may reasonably require.
15. Regarding a windshield glass claim**, you** must receive **our** prior authorization prior to repairing or replacing a windshield glass on a **covered auto**.

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO (PART D)

A person seeking coverage under PART D - COVERAGE FOR DAMAGE TO YOUR AUTO, must in addition to the

GENERAL DUTIES:

1. Promptly, but no later than 24 hours after the discovery of a **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 repair or disposal.
4. Promptly report any **auto 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 **auto 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 damages for which an **insured** is legally liable due to **bodily injury** or **property damage** caused by an **auto accident** that arises out of the **ownership**, maintenance or use of an **auto** covered under this PART A.

Damages include prejudgment interest awarded in a judgment against the insured subject to our limit of liability for this PART A.

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. **Our** duty to settle or defend ends when **our** limit of liability for this coverage has been exhausted by payment of judgments or by settlement. **We** have no duty to

1. Defend any suit;
2. Settle any claim; or
3. Pay any judgment;

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

ADDITIONAL DEFINITIONS FOR PART A - LIABILITY COVERAGE

A. "**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. Operation or use of any **auto** with the consent or permission from its **owner**; or
   b. The **ownership,** maintenance, or use of a **covered auto**.
2. A **rated resident** for the ownership, maintenance, or use of a **covered auto**.
3. A **permissive driver**.
4. 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;
5. 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 lawsuit **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 $60 per day, incurred by an **insured** due to attendance at any deposition, hearing or trial 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. Up to $250 for the cost of a bail bond required because of a traffic law violation resulting in **bodily injury** or **property damage** covered by this PART A. **We** have no duty to apply for, furnish, or secure such a 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 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 **bodily injury** or **property damage** that results is different than that which was intended.

This exclusion applies only to amounts of coverage that are above the **minimum limits**.

2. **Property damage** to any 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**.

3. **Bodily injury** to any 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 **your** domestic employee unless workers' compensation, disability, or similar benefits are available or required by law to be provided for that domestic employee.

4. Liability arising out of the **ownership**, maintenance, or use of a vehicle while it is being used:

   a. To **carry persons or property for compensation or a fee**, or as a public or livery conveyance; or

   b. For **ridesharing**.

   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 a **motor vehicle business**. However, this exclusion does not apply to the ownership, maintenance, or use of a **covered auto** by:

   a. **You**; or

   b. Any **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** or occupation (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 permission. This exclusion does not apply to **you** or a **family member** or a **rated resident** when using or **occupying** a **covered auto**.

8. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance, or use of a vehicle while it is being used in a **personal vehicle sharing program**.

9. **Bodily injury** or **property damage** resulting from the ownership, maintenance, or use of the **covered auto** by a **permissive driver**. This exclusion applies only to amounts of coverage that are above the **minimum limits**.

10. **Bodily injury** or **property damage** which is insured under a **nuclear energy liability policy** or which would be insured under such a policy but for its termination upon exhaustion of its limit of liability.

11. **Bodily injury** or **property damage** resulting from the use of any vehicle while **racing**.

12. **Bodily injury** or **property damage** for which the United States government may be found liable under the Federal Tort Claims Act.

13. **Bodily injury** or **property damage** arising out of any liability assumed by an **insured** under any contract, agreement, or bailment.

14. **Bodily injury** or **property damage** that results from an **auto accide**nt or **loss** that occurs while the **insured** is committing a **crime**. This exclusion applies only to amounts of coverage that are above the **minimum limits**.

15. For **bodily injury** or **property damage** caused by, resulting from, or a consequence of **war**, radioactive contamination, radiation, or a nuclear reaction, whether controlled or uncontrolled or however caused.

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

17. **Bodily injury** or **property damage** arising out of or resulting from, in whole or in part, any actual, alleged, or threatened migration; release; existence; or presence of, or actual, alleged, or threatened exposure to, any mold, mildew, fungus or other microbes. This includes any type or form of: (i) decomposing or disintegrating organic material or microorganism; (ii) organic surface growth on moist, damp, or decaying matter; (iii) yeast or spore-bearing plant-like organism; or (iv) spores; scents; toxins; mycotoxins; bacteria; viruses; or any other by-products produced or released by any mold, mildew, fungus, or other microbes.

18. Court ordered criminal restitution.
19. **Bodily injury** or **property damage** resulting from the discharge 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 an excluded driver.
21. **Bodily injury** or **property damage** resulting from the use of any **auto** by:
    a. An **undisclosed operator**; or
    b. Any person with a revoked or suspended driver's license or permit.

    If **we** are required by law to provide coverage under any of these circumstances such coverage shall not exceed **minimum limits** and such coverage shall be excess to any other coverage available for the driver or **owner** of a **covered auto**.
22. **Bodily injury** or **property damage** arising out of the release, spill, or escape of any **hazardous material.**
23. **Bodily injury** to the **owner** of a **non-owned auto** when being used or driven by an **insured person**.
24. **Bodily injury** or **property damage** benefits payable under the "No Fault Laws" of any **state**.
25. Coverage under this PART does not extend to:
    a. Any **auto** or **trailer** that is rented for any **business**; or
    b. Any **auto** or **trailer** that is rented for a period in excess of 14 consecutive days.

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 vehicle, other than a **covered auto**, that is:
    a. **Owned** by any **family member**, a **rated resident,** or a named excluded driver; or
    b. Furnished or available for the regular use of any **family member**, a **rated resident**, or a named excluded driver.

    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, anything of value, goods, services, compensation or reimbursement, including while being used in connection with a **personal vehicle sharing program**.
    b. Has been given in exchange for compensation.
    c. Is under a conditional sales agreement by **you** to another.
    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.
5. Any vehicle while it is being used for snow removal.
6. Any vehicle while towing a trailer that is not designed for use with that vehicle.
7. Loading or unloading of any haul-away, tank truck, or tank trailer when used with a vehicle that is not listed on the **Declarations Page**, which is owned, hired or held for sale by an **insured**.

C. If any exclusion under this PART A is found to be invalid or unenforceable by a court with proper jurisdiction, that exclusion shall not apply to damages that are less than or equal to **minimum limits** but the exclusion shall apply to all damages in excess of the **minimum limits.**

LIMIT OF LIABILITY

WARNING: If **we** make a payment on behalf of a **permissive driver**, **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 damages, including **derivative claims**, arising out of and due to a **bodily injury** sustained by any one person in any one accident. However, if liability coverage under PART A is payable on behalf of a **permissive driver**, 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 **auto 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 **auto accident**. However, if liability coverage under PART A is payable on behalf of a **permissive driver**, 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 **auto accident** is the most **we** will pay for all damages due to **property damage** sustained in any one **auto accident**. However, if liability coverage under PART A is payable on behalf of a **permissive driver**, 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 **auto 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 **auto accident**. However, if liability coverage under PART A is payable on behalf of a **permissive driver**, the most **we** will pay for the aggregate of all damages resulting from any one **auto 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 **auto 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 **auto accident**; or
8. Premiums paid.

F. If liability coverage under PART A is payable on behalf of a **permissive driver**, then the **minimum limits** is the most **we** will pay as the result of any one **auto 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 **auto 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 **auto accident** involving an **auto** with an attached **trailer** or a **covered auto** and **your trailer**.

H. Any payment under this PART A – LIABILITY COVERAGE will be reduced by any payment made to that person under PART C – UNINSURED/UNDERINSURED MOTORIST 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 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 **auto 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 auto 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 **auto 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 **auto 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 the 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

If **we** certify this Policy 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 **auto 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 bears 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.

ARBITRATION-PROPERTY DAMAGE LIABILITY CLAIMS

A. A person who is a party to a disputed **property damage** liability claim may submit that claim to arbitration pursuant to South Carolina automobile insurance laws, as amended.

B. The disputed claim must be filed with the clerk of court, in triplicate, on forms to be provided by the clerk, in the county where the cause of action arose or where the plaintiff or defendant **resides**.

C. Three arbitrators will be assigned by the court to hear and decide the case unless the parties to the dispute agree to have the disputed claim decided by one arbitrator.

D. A decision agreed to by two of the three arbitrators, or by the single arbitrator when the parties agree to one arbitrator hearing the claim, shall decide the dispute(s).

E. If any party is dissatisfied with the decision of the arbitrator(s), that party may appeal, within 20 days of the decision, to the court in which the claim was filed by service upon the other parties of a notice to appeal.

PART B – MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

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

   1. Caused by **auto accident**;

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

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

   We will pay only those **medical expenses** and funeral expenses incurred for services rendered within one (1) year from the date of the **auto 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 from the **insured**:

   1. Reasonable loss of earnings to an **insured**, up to $60 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 expense 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.

ADDITIONAL DEFINITIONS FOR PART B – MEDICAL PAYMENTS COVERAGE

As used in this PART B:

A. "**Insured**" means:

1. **You** or any **family member** or a **rated resident**:

a. While **occupying**; or

b. As a pedestrian when struck by

a motor vehicle designed for use mainly on public roads; or

2. Any other person while **occupying** a **covered auto** when the **covered auto** is being used with, and within the scope of, the **Named Insured's** 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. 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 a customary treatment for **bodily injury**.

3. Thermography, acupuncture or other related procedures of similar nature; or

4. 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 geographic 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 the intentional act of an **insured**, even if the actual **bodily injury** that results is different from 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:

a. To **carry persons or property for compensation or a fee**, or as a public or livery conveyance; or

b. For **ridesharing**.

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** 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** permission or beyond the scope of the **owner's** permission. This does not apply to **you,** or a **family member,** or a **rated resident** when using or **occupying** a **covered auto**.
7. Arising out of the **ownership**, maintenance or use of a vehicle while it is being used in a **personal vehicle sharing program**.
8. That is insured under a **nuclear energy liability policy** or would be insured under such a policy but for its termination upon exhaustion of its limit of liability.
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, or bailment.
12. Resulting from an **auto accident** or **loss** that occurs while the insured is committing a **crime**.
13. Caused by, resulting from, or a consequence of **war,** radioactive contamination, radiation, or a nuclear reaction, whether controlled or uncontrolled or however caused.
14. Arising out of the **ownership**, maintenance, or use of a **covered auto** 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 of any firearm or weapon in connection with the **ownership**, maintenance, or use of any **auto**.
17. **Bodily injury** or **property damage** resulting from the use of any **auto** by an excluded driver.
18. **Bodily injury** or **property damage** resulting from the use of any **auto** by:
    a. An **undisclosed operator**; or
    b. Any person with a revoked or suspended driver's license or permit.
19. Arising out of dispersal, release, spill, or escape of any **hazardous material** due to collision or upset of a **covered auto**.
20. Sustained from any source other than an **auto accident.**

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 vehicle, other than a **covered auto** for which this coverage has been purchased, that is:
    a. **Owned** by any **family member**, a **rated resident**, or a named excluded driver; or
    b. Furnished or available for the regular use of any **family member**, a **rated resident**, or a named excluded driver.

    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.
5. Any vehicle while towing a trailer that is not designed for use with that vehicle.
6. Loading or unloading of any haulaway, tank truck, or tank trailer when used with a vehicle that is not listed on the Declarations Page, which is owned, hired or held for sale by an insured.
7. Equipment or machinery not listed on the **Declarations Page**.

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 **auto accident**. There will be no adding, stacking, or combining of coverage. The limit of liability for Medical Payments Coverage shown on the **Declarations Page** is the most **we** will pay, without regard to the number of:

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

B. No one will be entitled to receive duplicate payments for the same elements damage under PART B for which payment has been made under any other coverage provided by this Policy.

OTHER INSURANCE

A. If there is any other insurance for **medical expenses** with the same priority as this Medical Payments Coverage, **we** will not pay more than **our** share of the unpaid covered **medical expenses**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits with the same priority. Any insurance **we** provided for an **insured** occupying a vehicle or trailer other than a **covered auto**, will be excess over any other auto insurance providing payments for **medical expenses**.

PART C - UNINSURED / UNDERINSURED MOTORIST COVERAGE

INSURING AGREEMENTS

A. **UNINSURED MOTORIST COVERAGE**. Subject to the limit of liability shown on the **Declarations Page**, if **you** pay the premium for Uninsured Motorist Coverage **we** will pay damages that an **insured** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of **bodily injury** or **property damage**, that

   1. Is sustained by that **insured**;
   2. Is caused by an **auto accident**; and
   3. Arises out of the ownership, maintenance, or use of an **uninsured motor vehicle**.

B. **UNDERINSURED MOTORIST COVERAGE**. Subject to the limit of liability shown on the **Declarations Page**, if **you** pay the premium Underinsured Motorist Coverage **we** will pay damages that an **insured** is legally entitled to recover from the **owner** or operator of an **underinsured motor vehicle** because of **bodily injury** or **property damage**, that:

   1. Is sustained by that **insured**;
   2. Is caused by an **auto accident**; and
   3. Arises out of the ownership, maintenance, or use of an **underinsured motor vehicle**.

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 FOR PART C – UNINSURED / UNDERINSURED MOTORIST COVERAGE

As used in this PART C:

A. "**Insured**" means:

   1. **You** or any **family member**;
   2. A **rated resident**;
   3. A guest in a **covered auto**;
   4. Any other person while **occupying** or using a **covered auto** with the express or implied permission from the **named insured** and within the scope of that permission; or
   5. Any other person for damages that person is entitled to recover because of **bodily injury** sustained by a person described in A.1., A.2., or A.3. 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., A.2., A.3. or A.4. above.

B. "**Uninsured motor vehicle**" means a land motor vehicle, including a moped:

   1. To which no liability bond or insurance policy, self-insurance, cash deposit or security applies at the time of the **auto accident**;
   2. To which a liability bond or policy, cash deposit or security applies at the time of the **auto accident** but the limit of liability for the bond or policy, or amount of cash deposit or security, is less than the **minimum limits**.
   3. Which is a vehicle whose operator or **owner** cannot be identified and which causes **bodily injury** to an **insured person** or **property damage**, provided:
      a. The **insured**, or someone on his or her behalf, has reported the **auto accident** to some appropriate police authority within 24 hours or as soon as practical, under all the circumstances, after its occurrence;

b. The **bodily injury** or **property damage** was caused by physical contact with the unknown vehicle, or, if there was no physical contact the **auto accident** must have been witnessed by someone other than the person seeking coverage under this PART; provided however, the witness must sign an affidavit attesting to the truth of the facts of the **auto accident**; Neither the **owner** or operator qualifies as a witness under this section; and

c. The **insured** was not negligent in failing to determine the identity of the other vehicle and the driver of the other vehicle at the time of the **auto accident**.

4. To which a liability bond or policy applies at the time of the **auto accident**, but the bonding or insuring company successfully denies coverage.

5. To which a liability bond or policy applies at the time of the **auto accident**, but the bonding or insuring company:

   a. Is or becomes insolvent;

   b. Is in delinquency proceedings, suspension or receivership; or

   c. Is financially unable to fully respond to a judgment in favor of an **insured**.

"**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 or does not qualify as a self-insurer under applicable law.
2. **Owned** by any governmental unit or agency except when operated by a person without proper authorization.
3. Operated on rails or crawler treads.
4. Designed for use off public roads while not on public roads.
5. While located for use or being used as a residence or premises.
6. That is not required to be registered as a motor vehicle. This does not apply to mopeds.
7. That is a **covered auto**.
8. Which is an **underinsured motor vehicle**.

C. "**Underinsured motor vehicle**" means a land motor vehicle, including a moped, to which a liability bond or policy applies at the time of the **auto accident** in an amount of at least the **minimum limits**, but the amount of the bond or policy is less than the amount of the damages sustained by the **insured** in the **auto accident**.

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

1. **Owned** by any governmental unit or agency except when a cause of action against, or damages owed by, the government arising out of a **motor vehicle auto accident** is limited or barred by the Tort Claims Act of South Carolina, as amended, or by any other applicable law.
2. Operated on rails or crawler treads.
3. Designed for use off public roads while not on public roads.
4. While located for or being used as a residence or premises.
5. That is not required to be registered as a motor vehicle. This does not apply to mopeds.
6. Which is an **uninsured motor vehicle**.

ADDITIONAL DUTIES FOR PART C – UNINSURED/ UNDERINSURED MOTORIST COVERAGE

A person seeking coverage under this PART C must also:

A. Notify the police as soon as practical, and within a reasonable time under all the circumstances, after the **auto accident** if a hit-and-run driver is involved.

B. Report the **auto accident** to **us** within 7 days of the **auto accident**.

C. Send **us** copies of legal papers if a lawsuit is commenced.

D. Promptly notify **us** in writing of an offer of settlement between the **insured** and the **owner**, operator or insurer of the **underinsured motor vehicle**.

E. Allow **us** 30 days after notice of an offer of settlement to advance payment to that **insured** in an amount equal to the offer, to preserve all of our rights against the insurer, **owner**, and operator of any **underinsured motor vehicle**.

EXCLUSIONS – UNINSURED/ UNDERINSURED MOTORIST COVERAGE

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 PART.

A. **We** do not provide coverage under this PART C for **bodily injury** or **property damage** sustained by any **insured**:

   1. If the **insured**, or the legal representative of the **insured**, without 30 days advance written notice to **us** either:

      a. Settles the claim; or

      b. Brings suit and obtains a judgment related to the 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** or **property damage**, and **we** have not given prior written consent to the **insured** to proceed with that lawsuit.
3. That is caused intentionally by, or at the direction of, or that is or should be reasonably expected to result from the willful acts by, the injured **insured**, even if the **bodily injury** or **property damage** that results is not what was intended.
4. If it arises out of and in the course of employment. This Exclusion does not apply to **bodily injury** to a domestic employee unless workers' compensation, disability benefits, or other similar benefits are required or available for that domestic employee
5. While **occupying** a **covered auto** while it is being used to:
   a. **Carry persons or property for compensation or a fee**.
   b. **Ridesharing**.

   This Exclusion does not apply to a share-the-expense car pool.
6. That occurs while the insured is employed or otherwise engaged in a **motor vehicle business**. However, this Exclusion does not apply to the **ownership**, maintenance, or use of a **covered auto** by **you** or any **family member**.
7. That occurs while maintaining or using a **covered auto** while an **insured** is employed or otherwise engaged in any **business** or occupation (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 **you** or any **family member**.
8. While using or **occupying** a vehicle without express or implied permission or beyond the scope of permission from the **owner** of the vehicle or the person with lawful possession of the vehicle. This does not apply to:
   a. **You**, a **family member** or a **rated resident** when using or **occupying** a **covered auto**; or
   b. An **insured** who is guest passenger **occupying** a **covered auto** with a reasonable belief that he or she has permission to be in the **covered auto**.
9. For which the **insured** is entitled to recover benefits under a **nuclear energy liability policy**, or would be entitled to recover benefits under such a policy but for its payment of its limit of liability.
10. That results from the use of any vehicle while **racing**.
11. For which the United States government is held liable under the Federal Tort Claims Act.
12. That results from an **auto accident** or **loss** that occurs while the **insured** is committing a **crime**.
13. Caused by, resulting from, or a consequence of **war**, radioactive contamination, radiation, or a nuclear reaction, whether controlled or uncontrolled or however caused.
14. That results from the discharge of any firearm or weapon in connection with the **ownership**, maintenance, or use of any **auto**.
15. That occurs while a **covered auto** is being used in connection with a **personal vehicle sharing program**.
16. **Bodily injury** or **property damage** resulting from the use of any **auto** by an excluded driver.
17. **Bodily injury** or **property damage** resulting from the use of any **auto** by:
   a. An undisclosed operator; or
   b. Any person with a revoked or suspended driver's license or permit.
18. **Bodily injury** or **property damage** sustained by any person who does not report the **auto accident** to the police within a reasonably prudent amount of time if a hit-and-run vehicle is involved.

B. **We** do not provide Uninsured or Underinsured Motorist Coverage for 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. However, this Exclusion does not apply to use of a **trailer** or moped.
   2. Any vehicle which is not insured for Uninsured or Underinsured Motorist Coverage under this Policy, that is:
      a. **Owned** by **you,** any **family member** or **rated resident**; or
      b. Furnished or available for the regular use by **you,** any **family member** or **rated resident**.
   3. A **covered auto** that:
      a. Has been rented, leased, loaned or given to anyone in exchange for any form of money, value, goods, services, compensation or reimbursement;

b. 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; or

c. Is no longer in **your** possession in connection with a sale of the **auto**, including, but not limited to, conditional sale, or an exchange for goods or services.

This exclusion does not apply to the operation of a **covered auto** by **you**, a **family member**.

4. Loss to the **insured auto**, a **non-owned auto**, or a **trailer** for **diminution of value**.

C. **We** do not provide coverage under this PART C for **property damage** that has been compensated by insurance or otherwise.

D. **We** do not provide coverage under this PART C for the first $200 of **property damage**.

E. Coverage under this PART C shall not apply directly or indirectly to benefit any insurer or self-insurer:

1. Under any of the following or similar laws:

a. Workers' compensation law; or

b. Disability benefits law; or

2. Of property.

F. **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.

If any exclusion is found to be invalid or unenforceable by a court with proper jurisdiction due to a financial responsibility law or compulsory insurance law or for any other reason, that exclusion shall apply to all damages in excess of the **minimum limits**.

LIMIT OF LIABILITY - UNINSURED/ UNDERINSURED MOTORIST COVERAGE

A. The limits shown on the **Declarations Page** apply subject to the following:

1. For policies where one **auto** is shown on the Declarations Page:

a. The **bodily injury** limit shown on the **Declarations Page** for "each person" is the most **we** will pay for all damages, including damage for **derivative claims** resulting from **bodily injury** sustained by one person in one **auto accident**.

b. The **bodily injury** limit for "each accident" is the most **we** will pay for all damages resulting from **bodily injury** sustained by more than one person in one **auto accident**.

c. The **property damage** limit for "each accident" is the most **we** will pay for all damages to property, including loss of its use, in one **auto accident**.

2. For policies where two or more **autos** are shown on the **Declarations Page**, and subject to the "each person" and "each accident" conditions referenced in paragraph 1. above:

a. If the **bodily injury** is sustained in an **auto accident** by **you** or a **family member** while occupying a **covered auto**, the most **we** will pay for all damages, including those associated with **derivative claims**, will be the limit shown on the **Declarations Page** for the **covered auto** involved in the **auto accident** plus the limits shown on the **Declarations Page** for each of the other **autos** shown on the **Declarations Page**. For the purpose of stacking coverage under this paragraph, the limits applicable to such other **autos** shall not exceed the limits shown on the **Declarations Page** applicable to the **covered auto** involved in the **auto accident**.

b. If the **bodily injury** is sustained in an **auto accident** by any **insured person** other than **you** or a **family member** while occupying the **covered auto**, the most **we** will pay for all damages, including those associated with **derivative claims**, will be the limit shown on the **Declarations Page** for the **covered auto** involved in the **auto accident** only. There will be no adding, stacking, or combining of Uninsured or Underinsured Motorist Coverage for any **insured** who is not **you** or a **family member**.

c. If **bodily injury** is sustained in an **auto accident** by **you** or a **family member** and a **covered auto** is not involved in the **auto accident**, the most **we** will pay for all damages, including those associated with **derivative claims**, will be the limit shown on the **Declarations Page** for any one, but only one, of the **autos** shown on the **Declarations Page**. There will be no adding, stacking, or combining of Uninsured or Underinsured Motorist Coverage.

d. The **property damage** limit for "each accident" is the most **we** will pay for all damages to property, including loss of its use, in one **auto accident**. There will be no adding, stacking, or combining of Uninsured or Underinsured Motorist Coverage for **property damage**.

B. **Our** limit of liability under PART C for **property damage** to the **insured auto** arising out of one **auto accident** shall be the lesser of the following:

1. The **actual cash value** of the **covered auto** at the time of the **auto accident**, reduced by the **deductible** shown on the **Declarations Page**

and by its salvage value if **you** retain the salvage;

2. The amount necessary to repair or replace the **covered auto**, reduced by the **deductible** shown on the **Declarations Page**. If the **covered auto** is older than two model years from the date of loss, **we** may repair the **covered auto** using either **Non-OEM parts** or recycled used parts, whichever is deemed to be less expensive by **us**, and with a deduction for **depreciation** and/or **betterment**; or

3. Any limit of liability shown on the **Declarations Page** for **property damage** under PART C, reduced by the **deductible** shown on the **Declarations Page** and by its salvage value if **you** retain the salvage.

4. An adjustment for **depreciation** and/or **betterment** will be made in determining the liability at the time of the **auto accident**.

C. **We** will not pay under this PART C any expenses paid or payable under PART A- Liability Coverage or PART B-Medical Payments Coverage.

D. Any amounts otherwise payable under this PART C for **bodily injury** or **property damages** shall be reduced by all sums:

1. Paid because of the **bodily injury** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under PART A and PART B of this Policy or any similar coverage under any other policy.

2. Paid because of the **property damage** under PART D of this policy or any similar coverage under any other policy.

3. Paid or payable because of the **bodily injury** under any of the following or similar law:

a) Workers' Compensation law; or

b) Disability benefits law.

E. No one shall be entitled to duplicate payments for the same elements of damages.

OTHER INSURANCE

Subject to all other terms of this PART C, including all limits set forth in the Limit of Liability section:

A. If there is other Uninsured or 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 of the damages or **loss** is the proportion that **our** limit of coverage under this PART C 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.

However:

1. Any insurance we provide with respect to a vehicle that is not a covered auto shall be excess over any collectible insurance providing such coverage on a primary basis.

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

B. If there is other Uninsured or Underinsured Motorist Property Damage Coverage, or similar or other insurance, that applies or is available under one or more policies, then **we** do not provide PART C coverage for that **property damage** that has been compensated by insurance or otherwise.

ARBITRATION FOR BODILY INJURY CLAIMS

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

1. Whether the **insured** is legally entitled to recover damages under this PART C; or

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

Then upon mutual agreement of both parties, these two issues only may be submitted to arbitration. However, unless required by law, neither party may be compelled to participate in arbitration nor 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 an arbitrator. The two arbitrators will select a third arbitrator. If they cannot agree within 30 days, either may request that selection of a third arbitrator be made by a judge of a court having jurisdiction.

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 shown on the **Declarations Page** for Uninsured or Underinsured Motorist Coverage; or

2. The **minimum limits**.

If the amount of the Arbitrator's award exceeds the **minimum limits**, 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;
2. Award any costs or fees;
3. Award any amount as interest;
4. Decide any coverage issue; or
5. 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 are recoverable by the **insured**.

F. Each party will:

1. Pay the costs, fees and other expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

ARBITRATION FOR PROPERTY DAMAGE CLAIMS

An insured person may submit a disputed property damage claim to arbitration in accordance with South Carolina law.

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 direct and auto accidental **loss** to a **covered auto** and its equipment.

Caused by a **collision**. **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 similar in type and use as a listed or scheduled **auto(s)** on the **Declarations Page**.

INSURING AGREEMENT-COMPREHENSIVE COVERAGE

A. If **you** pay **us** the premium for Comprehensive Coverage and it is shown on the **Declarations Page**, we will pay for direct and auto accidental **loss** to a **covered auto** and its equipment.

   Caused by **other than collision**. **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 similar in type and use as a listed or scheduled **auto(s)** on the **Declarations Page**.

   Only **losses** caused by **collision** or one of the listed perils under **other than collision** are covered under PART D - COVERAGE FOR DAMAGE TO YOUR AUTO.

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** at the time of the covered **loss**. 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 the premium for Towing and Labor Coverage, **we** will pay the reasonable cost, as determined by **us**, that you incur for a **covered auto** for:

   1. Mechanical labor up to one hour at the place where the **covered auto** broke down.
   2. Towing to the nearest place where the necessary repairs can be made during regular business hours if the **covered auto** will not run.
   3. Towing the **covered auto** out if it is stuck on or immediately next to a public roadway.
   4. Delivery of gas, oil, battery, or tire change.

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**.

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 three (3) occurrences in any 6-month policy period or six (6) occurrences per annual 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.

G. **You** must give **us** written verifiable proof of towing and/or labor charges incurred.

TRANSPORTATION EXPENSE COVERAGE–TOTAL THEFT

A. **We** will pay up to $20 per day subject to a maximum limit of $600 for 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**. A deductible will not apply to this coverage.

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

1. Beginning forty-eight (48) hours after **you** notify the police and **us** of the theft of a **covered auto**; and
2. Ending the earliest of:
   a. When a **covered auto** has been recovered and returned to **you** or its **owner**;
   b. When a **covered auto** has been recovered and repaired;
   c. When a **covered auto** has been replaced;
   d. Seventy-two (72) hours after **we** make an offer to pay for the **loss** if the **covered auto** is deemed by **us** to be a total loss or unrecoverable; or
   e. When **you** have incurred the maximum $600 limit.

C. **We** will not pay for transportation expense 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. 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**. 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 **auto 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 **you** incur when **you** rent an **auto** from a commercially licensed rental agency approved by **us** due to **loss** to a **covered auto** that is covered under Collision Coverage or Comprehensive Coverage. 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 the **covered auto**;
2. The day following the settlement offer, if **we** offer settlement instead of repairs;
3. When the **covered auto** has been returned to **you**;
4. When the **covered auto** is replaced;
5. When the stolen **covered auto** is returned to **you** if no repairs are needed due to the theft;
6. 72 hours after **we** make an offer to pay for the **loss**, if the **covered auto** is deemed by **us** to be a total loss;
7. When **you** incur 30 days rental; or
8. When **you** incur the maximum rent shown on the **Declarations Page**.

C. At **your** request, **we** will guarantee such rental payments hereunder to the provider of the vehicle. If **we** guarantee payment, such payment will be made directly to the provider of the vehicle up to **our** limits of liability as shown on the **Declarations Page**.

D. 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 or other optional equipment;
5. Collision damage waiver; or
6. Tolls.

E. 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.

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

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

H. 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.

I. **You** must give **us** written verifiable proof of incurred rental expenses.

CUSTOMIZED EQUIPMENT AND PARTS COVERAGE

A. Subject to the limits shown on the **Declarations Page**, if **you** pay **us** the premium for Customized Equipment and Parts Coverage for a **covered auto**, **we** will pay for **loss** to the **customized equipment and parts** in or on that **covered auto** that results from a **loss**. All payments for **loss** to such **customized equipment and parts** shall be reduced by the applicable deductible, but only one deductible shall be applied to any one loss under this PART D - COVERAGE FOR DAMAGE TO YOUR AUTO.

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

C. 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 limit of liability for Customized Equipment and Parts Coverage shown on the **Declarations Page**.

D. 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.

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

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.

ADDITIONAL DEFINITIONS FOR PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

As used in this PART D:

A. **"Collision"** means when a **covered auto** impacts with another vehicle or object or flips or tips over.

B. "**Comprehensive**" and "**other than collision**" mean a loss caused by:

1. Missiles or falling objects;

2. Fire or lightning;

3. Theft or larceny;

4. Explosion or earthquake;

5. Windstorm;

6. Hail, water or flood;

7. Malicious mischief or vandalism;

8. Riot or civil commotion;

9. Impact with a bird or animal; or

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

Only **losses** caused by one of these listed perils are covered under **other than 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. 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.

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** to a **covered auto**:

a. Caused intentionally by or at the direction of **you**, any **family member**, a **rated resident**, or the **owner** of a **covered auto;** or

b. That should be reasonably expected to result from such intentional act even if the actual **loss** or damage is different than that which was intended.

However, this exclusion does not apply to an innocent co-insured's legal interest in the **covered auto** if:

a. The innocent co-insured did not cooperate in or contribute to the cause of the **loss**;

b. The **loss** arose out of an act of domestic violence; and

c. The person who caused the **loss** is criminally prosecuted for the act causing the **loss**.

Payment to the innocent co-insured may be limited to his or her ownership interest in the property as reduced by any payments to a mortgagor or other secured interest

2. **Loss** to any vehicle while it is operated, maintained, or used:

   a. To **carry persons or property for compensation or a fee**, or as a public or livery conveyance;

   b. For **ridesharing**.

   This exclusion does not apply to a share-the-expense car pool.

3. **Loss** to any **covered auto** being maintained or used by any person while employed or otherwise engaged in any **auto business**.

4. **Loss** to any **covered auto** being maintained or used by any person while employed or otherwise engaged in any **business** or occupation (other than farming or ranching).

   However, with respect to a **business** use that is disclosed by **you** and allowed by **us**, and for which **you** have paid **our** added charge for **business** use, this exclusion shall not apply to that disclosed **business** use.

5. For which the **insured** is entitled to recover benefits under a **nuclear energy liability policy**, or would be entitled to recover benefits under such a policy but for its termination upon exhaustion of its limit of liability.

6. **Loss** resulting from the use of a **covered auto** while it is engaged in **racing**.

7. **Loss** to a **covered auto** that occurs while the **insured** is committing a **crime**.

8. **Loss** to a **covered auto** that occurs while it is being used in a **personal vehicle sharing program**.

9. **Loss** caused by, resulting from, or a consequence of **war,** radioactive contamination, radiation, or a nuclear reaction, 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. **Loss** or damage due and confined to:

    a. Wear and tear;

    b. Freezing;

    c. Mechanical, electronic, or electrical breakdown or failure;

    d. Lack of lubricant or coolant;

    e. Deterioration, rust or corrosion, wet or dry rot;

    f. Road damage to tires;

    g. Water leakage or seepage;

    h. Dampness of atmosphere or extremes of temperature; or

    i. Delamination unless caused by any other loss covered under this PART D.

    This exclusion does not apply if the damage results from the total theft of a **covered 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** due to or as a consequence of:

    a. Destruction, seizure or confiscation by any 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**.

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 clothes, tools, or personal effects.

16. **Loss** to any electronic equipment, devices, accessories, and any other personal effects that are not permanently installed in a **covered auto**. This includes, but is not limited to:

    a. Radios, satellite radio systems, stereos, tape decks, compact disc systems, audio cassette recorders, citizen band radios, two-way mobile radios, video entertainment systems; digital video device players;

    b. Tapes; compact discs; cassettes; VHS tapes; DVDs, other recording or recorded media; Any containers designed to carry or store these materials;

    c. Telephones; televisions; personal computers and tablets; GPS/navigation systems;

    d. Modified or customized engines or carburetor systems;

    e. Utility boxes and toolboxes.

This exclusion does not apply to:

1. Any electronic equipment that is necessary for the normal operation of the **auto** or the monitoring of the **auto's** operating systems;

2. A permanently installed telephone designed to be operated by use of the power from the **auto's** electrical system and any accessories used with the telephone;

3. Permanently installed equipment designed to be solely operated by use of the power from the **auto's** electrical system; and

4. Equipment removable from a housing unit that is permanently installed in the auto by bolts, brackets, or slide-out brackets.

17. Damage due and confined to:

    a. Prior **loss** or damage;

    b. Manufacturer's defects or faulty materials;

    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** to any vehicle if **you** acquire it from a seller without legal title; or if the vehicle has been sold, gifted or conveyed to anyone prior to the date of **loss** for which coverage is sought under this PART D.

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**, or a **rated resident** under any contract or agreement.

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

    a. A named excluded driver;

    b. An **undisclosed driver**; or

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

26. **Loss** to any custom furnishings or equipment, custom furnishings or equipment include, but are not limited to:

    a. Special carpeting and insulation, furniture, bars or television receivers.

    b. Facilities for cooking and sleeping.

    c. Sun roofs, moon roofs, T-bar roofs or height-extending roofs.

    d. Custom murals, paintings or other decals or graphics.

    e. Any non-factory installed or non-original equipment manufactured (non-**OEM**) item or feature.

    f. Winches.

    However, this exclusion shall not apply if:

    1. **You** have disclosed these items or features to **us** in writing prior to the **loss**;

    2. **We** agree to cover them; and

    3. **You** have paid **us** the additional premium for Customized Equipment and Parts.

27. **Loss** to a **covered auto** arising out of or during its use for the transportation of any **hazardous materials** except for transportation incidental to **your** ordinary household or farm activities.

28. To windshield glass replacement or repairs made without **our** prior authorization.

29. **Loss** to a **covered auto** due to **diminution in value**.

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

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

2. A **covered auto** that:

   a. Has been rented, leased, subleased, loaned or given by **you** or a **family member**, or a **rated resident** to another party in exchange for money, value, goods, services, compensation or reimbursement, including while being used in connection with a **personal vehicle sharing program**;

   b. Has been given in exchange for compensation;

   c. Is under a conditional sales agreement, consignment agreement, or bailment lease 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

3. Any **non-owned auto**.

LIMIT OF LIABILITY

A. **Our** limit of liability for **loss** shall not exceed the lowest of the:

1. **Actual cash value** of the stolen or damaged property at the time of the **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**; or

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.

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

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 **auto accident** to which PART D applies, **we** will pay reasonable charges, as determined by **us**, for transporting to and storing a **covered auto** at a repair facility near the location of **loss**; provided you comply with your duties and contact us as soon as practical. **We** will only pay up to 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**.

J. Any amount payable by **us** to repair or replace damaged property will be reduced by the cost of labor, parts, and materials to repair prior damage, deterioration, and defects to the property that had not been repaired prior to the **loss**.

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 shown on the **Declarations Page**. If **we** return stolen property, **we** will pay for any direct physical damage to a **covered 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**.

F. **We** may make payment for a **loss** directly to a repair facility with **your** consent.

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 **auto 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, organization, person, or other bailee for hire.

OTHER SOURCES OF RECOVERY

If other insurance or source of recovery 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 an auto you do not own shall be excess over any other collectible insurance or source of recovery including, but not limited to:

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

APPRAISAL

A. If **you** and **we** do not agree on the amount of the **loss**, then either **you** or **we** may demand an appraisal of the **loss.** In this event, each party will select a competent, licensed, and impartial appraiser within 15 days of the demand for appraisal. The two appraisers will select an umpire. If they are unable to agree upon an umpire within 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 separately state 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. Neither **you** nor **we** waive any 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 fraudulent acts, material misrepresentation, or omissions, conversion, secretion or embezzlement of a **covered auto**; or an intentional act causing damage that was committed by or at the direction of **you** or a **family member**, or a **rated resident**; or if the **loss** is not covered under the terms of this Policy, including coverage denials for reasons such as **your** material noncooperation.

C. **We** reserve the right to rescind, cancel, or nonrenew this Policy as permitted by policy terms and state law. The rescission, 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 the 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**.

PART E – GENERAL PROVISIONS

ADDITIONAL DEFINITIONS FOR PART E – GENERAL PROVISIONS

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, sworn affidavit, any form of certificate of mailing, certificate of bulk mailing, intelligent mail bar coding, or other form of tracking or proof that is accepted or issued by the United States Postal Service, or any other form allowed by state law.

C. "**Renew**" or "**renewal**" means the issuance and delivery of a policy providing the same or **substantially similar** coverage replacing at the end of the policy period a policy previously issued and delivered by the same insurer or a licensed affiliate, or the issuance and delivery of a certificate of notice extending the term of a policy beyond its policy period or term.

D. "**Substantially similar**" means a policy that provides the same basic coverages but may add, alter or eliminate incidental coverages and may provide coverages using different textual language.

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**, any endorsements issued by **us**, and the Application which is incorporated and made part of the Policy, 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. Advise **us** within 7 days of the occurrence of any material changes, including but not limited to the

following, which **we** consider material to the development of the Policy premium:

a. The number or type of **covered autos**;

b. The operators using the autos insured under **your** policy (either additions or deletions);

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. How the **autos** insured under **your** policy are being used;

f. If **you**, or any **family member**, or **rated resident** obtains a driver's license or operator's permit or has a driver's license revoked, suspended, or reinstated after a suspension; or

g. The marital status of **you**, a **family member**, **rated resident**, 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 term 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.

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 specialized 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 an **insured** has an obligation to pay for damages due to a covered **auto 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.

O**UR 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 the **auto 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.
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:

1. Under PART B - MEDICAL PAYMENTS COVERAGE.
2. Under PART C – UNINSURED / UNDERINSURED MOTORIST COVERAGE, with respect to:
    a. Uninsured Motorist Coverage benefits paid in excess of minimum limits; and
    b. Underinsured Motorist Coverage benefits; or
3. Under PART D - COVERAGE FOR DAMAGE TO YOUR AUTO against any person using a **covered auto** with the **owner's** 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 after the **insured** person who sustained the damages or **loss** has been fully compensated for such damages or **loss**.

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 lawyer 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 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 **auto accidents** or **losses** which occur:
1. During the policy period as shown on the **Declarations Page**.; and
2. Within the policy territory.

However, except where required by law, this Policy does not apply to **auto accidents** or **losses** that occur during any lapse in coverage or for **auto accidents** or **loss** that occur after this Policy has terminated for any reason.

B. The policy territory is:
1. The United States of America, its territories or possessions; and
2. Canada.

This Policy also applies to **loss** or **auto accidents** involving a **covered auto** while being transported between their ports.

OTHER PRODUCTS - PREMIUM OR PRICE

A. **You** may purchase or obtain certain coverages, coverage options, coverage deductibles, coverage limits, or coverage terms on other products, including non-insurance products, from **us,** or one of **our** affiliated companies, or by an organization that has entered into an agreement with **us** or one of **our** affiliated companies. These products are subject to their applicable eligibility rules.

B. The premium for this Policy may vary based upon:
1. The purchase of other products or services from **us** or one of **our** affiliated companies; or
2. The purchase of products or services from an organization that has entered into an agreement or contract with **us** or one of **our** affiliated companies. We and **our** affiliated companies do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization.

C. **Our** affiliate, business partner, or **we** may provide **you** with special offers that may be applied either toward the premium to purchase a policy issued by **us** or toward the purchase of products offered by an affiliate or business partner of **ours.** In addition, **our** affiliate, or business partner, or **we** may:
1. Make a contribution on **your** behalf to an educational or charitable fund under a program sponsored through or by **our** affiliate or business partner; or
2. Make a contribution toward any educational or charitable fund of **your** choice.

POLICY TERMINATION

A. **Cancellation**

This Policy may be cancelled during the policy period as follows:

1. **You** may cancel by:
   a. Returning this Policy to **us**; or
   b. Giving **us** or **our** authorized representative 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. However, **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.
2. **We** may cancel by mailing or delivering to the **named insured** at the address last known by **us** at least 15 days notice of cancellation. The notice will include the reason(s) for the cancellation.
3. When this Policy has been in effect for fewer than 60 days of the first policy period, **we** may cancel this Policy only for one of more of the following reasons:
   a. A premium payment by check or bank draft is returned unpaid for insufficient funds or other reason by a financial institution. If the check or bank draft is for **your** first premium payment and it is not honored, this policy may be cancelled effective the date and time of policy inception;
   b. **You** give **us** satisfactory proof from the Department of Motor Vehicles that **your covered auto** has been sold or otherwise disposed of, or its license plates and registration have been surrendered to the State of South Carolina;
   c. **You** have secured another policy that satisfies the financial responsibility laws of the State of South Carolina; or
   d. **You** do not pay the required premium for this policy when due. Except as described in paragraph a. directly above in this clause, this policy will not be canceled before the 31st day of the first policy period for nonpayment of premium.
4. After this Policy has been in effect for 60 days of the first policy period, but before it has been in effect for more than 90 days of the first policy period, **we** may cancel for any lawful reason.
5. After this Policy has been effect for more than 90 days of the first policy period, or if this is a renewal or continuation policy, **we** will cancel only for one or more of the following reasons:
   a. For nonpayment of premium;
   b. **Your** driver's license or that of:
      i. Any driver who lives with you; or
      ii. Any driver who customarily uses a **covered auto**;

      Has been suspended or revoked during the policy period or, if the policy is a renewal, during its policy period or the 90 days immediately before the last anniversary of the effective date; or
   c. Any lawful reason not specified above.

   Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation that existed before the effective date of such renewal. If a policy is cancelled prior to the policy's renewal, such cancellation shall terminate any right of renewal.

B. **Nonrenewal**

1. If **we** decide not to renew or continue this Policy at the end of a policy term, **we** will mail notice to the **named insured** at the last address shown in **our** records. Notice will be mailed in accordance with the time frame required by state law. Subject to this notice requirement, if the policy period is:
   a. Less than one year, **we** will have the right not to renew or continue this Policy at the end of the policy period.
   b. One-year or longer, **we** will have the right not to renew or continue this Policy at each anniversary of its original effective date.

C. **Automatic Termination**

If **we** offer to renew or continue **your** Policy and **you** or **your** representative do not accept, this Policy will automatically terminate at the end of the current policy term. Failure to pay the required renewal or continuation premium when due shall mean that **you** have not accepted **our** offer to renew.

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 rescinded effective as of the date and time of policy inception. If the Policy is rescinded from inception, it will not be subject to the Cancellation provisions of this Policy. This means that **we** will not be liable under this Policy for any claims or damages which would otherwise be covered if the remittance had been honored upon presentment. If **we** are required

by law to make any payment after **we** rescind this Policy, **you** must pay **us** for all expenses incurred and payments made. **Our** right to rescind this Policy will not be affected if **we** submit the remittance for payment more than once.

2. If **you** make a premium payment for a renewal of **your** Policy using an uncollectible instrument, **our** offer of policy renewal is deemed rejected by **you** and the Policy terminated without renewal. **Our** right to void this Policy will not be affected if **we** submit the remittance for payment more than once.
3. Examples of an uncollectible instrument and payment not being honored upon presentment include, but are not limited to:
   a. Checks dishonored or refused due to insufficient funds;
   b. Checks drawn from closed accounts;
   c. Invalid credit cards or credit card charges dishonored or refused by the issuing financial institution; and
   d. Electronic Funds Transfer (EFT) or Automated Clearing House (ACH) transfers or payments from a financial institution or similar account that are refused, dishonored or rejected.
4. If any of these acts or events occur at initial application or at any time during the policy period, it shall be deemed to be nonpayment of premium.

E. **Other Termination Provisions**

1. If the law in effect at the time this Policy is issued, renewed or continued:
   a. Requires a longer notice period;
   b. Requires a special form of, or procedure for, giving notice; or
   c. Modifies any of the stated termination reasons;

   We will comply with those requirements.
2. If not prohibited by state law, **we** may deliver any notice in person or through electronic or digital methods instead of **mailing** it.
3. **Proof of mailing** of any notice shall be sufficient proof of notice.
4. If this Policy is cancelled you may be entitled to a refund; however, the making of or offering to make the refund is not a condition of cancellation. If **you** cancel the policy, the premium refund, if any, will be computed on a short rate basis meaning that **we** will retain 10% of the unearned premium and will refund the remaining 90% to **you**. If **we** cancel the Policy, unearned premium will be calculated on a pro rata basis.
5. Any notice stating the Policy has ended shall terminate all coverages under this Policy as of the earliest effective date in the notice.

Nothing in this “Policy Termination” section shall waive our rights to void this Policy if permitted by law.

TRANSFER OF YOUR INTEREST IN THIS POLICY

A. **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 the **named insured**’s registered domestic partner, if that person **resides** in the same household as the **named insured** at the time of death. Coverage applies to that spouse or registered domestic partner as if he or she were a named insured shown on the **Declarations Page**.
   2. The legal representative of the deceased **named insured** 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**.

B. Coverage will only be provided until the end of the policy term or until otherwise terminated under the terms of this Policy.

C. Any person or entity who receives assignment of the policy or its benefits as set forth above is subject to all the terms and conditions of the Policy.

MISREPRESENTATION AND FRAUD

A. **We** rely upon the truth and accuracy of the information **you** provide to **us** in your written or verbal Application for coverage. **We** rely on any additional information you give us during the policy term, at renewal, and at any reinstatement, to determine your continuing eligibility for coverage under this Policy and to determine **your** premium. **We** reserve the right in our sole discretion to void from inception or reform the Policy back to the date of the misrepresentation if **you**:
   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 renewing the 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, giving a false vehicle garaging address, misrepresenting your marital status, failing to disclose in the verbal or written Application all persons **residing** in **your** household or **regular operators** of a **covered auto**.

B. Any changes **we** make at **your** request to this policy after inception will be made in reliance upon information **you** provide. If **you**:

1. Make incorrect statements or representations to **us** with regard to any material fact or circumstance;
2. Conceal or misrepresent any material fact or circumstance; or
3. Engage in fraudulent conduct;

in connection with a requested change **we** may void the policy or reform it as it existed immediately prior to the requested change.

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

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

E. **We** may, at **our** sole discretion, void or rescind this Policy for fraud or misrepresentation even after the occurrence of an **auto accident** or **loss**. This means that **we** will not be liable for any claims or damages which might otherwise have been covered.

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

G. If this Policy is certified as proof of financial responsibility under the applicable South Carolina law and an **auto accident** occurs before **we** notify the **named insured** that the policy is void, **our** voiding of this Policy as related to any misrepresentation or fraud under Paragraph A above shall not prevent coverage under PART A that is otherwise required to be provided up to the **minimum limits**. If **we** make a payment after **we** void this Policy, **you** must reimburse **us** to the extent of that payment.

TWO OR MORE POLICIES

If this Policy and any other **auto** policy issued to **you** by **us** apply to the same **auto 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.

This provision does not apply to Uninsured/Underinsured Motorist Coverage PART C.

No one will be entitled to receive duplicate payments for the same elements of damage under Uninsured Motorist Coverage.

TERMS OF POLICY CONFORM TO STATUTES

If any provision of this Policy fails to conform to the statutes of the state in which this Policy is written, the provision shall be deemed 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 INTEREST

You may change or cancel this Policy; however, **your** action(s) shall be binding on all persons provided coverage under this Policy. If there is more than one **named insured** shown as the policyholder on the **Declarations Page** of this Policy, any **named insured** may cancel or change this Policy. The action of one **named insured** shall be binding on all persons provided coverage under this Policy.

ELECTRONIC SIGNATURES

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 or acknowledged or made under oath,

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

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

In witness whereof, we, as officers of the 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



Christine M. DeBiase
Secretary