

Tennessee Personal Automobile Policy



10954NG (01012022)

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Winston-Salem NC 27102-3199

Direct Insurance Company

WARNINGS:

UNDISCLOSED DRIVERS - If a person resides with you and is 14 years of age or older or is a regular operator of your covered auto(s) and is not listed on your declarations page as a driver, coverage may not apply for that driver you did not disclose. If you want coverage to apply, you must ask us or your agent to add that person to your policy.

PERMISSIVE DRIVERS COVERAGE LIMITATION – Under this policy, a permissive driver is only covered up to the minimum limits required by the Tennessee Financial Responsibility Law. In addition, Part D - Coverage for Damage to Your Auto does not apply to permissive drivers.

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TENNESSEE PERSONAL AUTOMOBILE POLICY

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

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AGREEMENT

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

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

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

DEFINITIONS

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

- A. **"Accident"** and **"accidental"** mean a sudden, unexpected, and unintended event.
- B. **"Actual cash value"** means the fair market value of the stolen or damaged property at the time of **loss**.
- C. **"Additional auto"** means an **auto** that **you** acquire in addition to the **auto(s)** shown on the **Declaration Page**, if:
 - 1. No other insurance applies to the acquired **auto**;
 - 2. Within seven (7) calendar days after **you** become the **owner** of the **additional auto**, **you** ask **us** to add the **additional auto** to **your** Policy;
 - 3. The **additional auto** is similar in type and use as a listed or scheduled **auto(s)** on the **Declarations Page**; and
 - 4. **We** insure all **autos owned** by **you** on the date **you** take possession of the **additional auto**.

If **you** ask **us** to insure the **additional auto** within seven (7) calendar days after **you** acquire the **auto** and **we** agree to insure it, any coverage **we** provide for the **additional auto** is subject to the following conditions:

- 1. On the date **you** become the **owner**, an **additional auto** will have the broadest coverage **we** provide on any **auto** shown on the **Declarations Page**.
- 2. Any coverage **you** ask **us** to add to the **auto** or any increase of limits of liability shall not begin until after:
 - a. **We** agree to add the coverage or increase the limits; and
 - b. **You** pay any additional premium when due.

If **you** do not notify **us** within seven (7) calendar days after **you** become the owner of the **additional auto**, no coverage exists for the **additional auto**.

- 3. The deductible for the **additional auto** will be the greater of either:
 - a. \$500; or
 - b. The amount of any higher deductible shown on the **Declarations Page** for a **covered auto**;

for any covered **loss** under Comprehensive Coverage or Collision Coverage that occurs before **you** have asked **us**, and **we** agree, to insure the **additional auto**.

- 4. Notwithstanding the other provisions in this Definition, no coverage will apply to any **auto** at any time if the **auto** or its use is not an acceptable risk under **our** Rules in effect at the time the **auto** is acquired.
- D. **"Auto"** means a four-wheeled private passenger vehicle or dual rear wheel six-wheeled pick-up truck designed for operation mainly on public roads with a gross vehicle weight (as determined by the manufacturer's specifications) of 10,000 pounds or less.

An **auto** does not include:

- 1. Vans with cabs separate from the cargo area;
- 2. Delivery van;
- 3. Step-van;
- 4. Cargo cutaway van;
- 5. Any type of all-terrain or quad vehicle, dune buggy, go-cart or golf cart; or
- 6. Any vehicle with an occupant capacity of 13 or more persons.

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

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

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

F. **"Business"** means any full-time or part-time job, trade, profession, occupation, employment, or commercial enterprise. **Business** includes the transport of tools or supplies in an **auto** between job sites.

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

1. Going to a pick-up or returning from a drop-off;
2. The money or other item of value is paid or given;
 - a. By any passenger, recipient or other party on a per-trip basis; or
 - b. In the course of, or as related to, any **business** activities of a person insured under this Policy; or
3. Any of the persons; products; goods; materials; property; animals; or livestock intended to be delivered or transported are actually in the vehicle or **trailer** at the time of the **accident** or **loss**.

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

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

1. Any **auto** shown on **your Declarations Page**, unless **you** have asked **us** to delete that **auto** from the Policy;
2. A **newly acquired auto**;
3. **Your trailer**; or
4. Any **temporary substitute auto** while operated by a person listed on the **Declarations Page**. However, no coverage is provided for a **temporary substitute auto** under PART D > COVERAGE FOR DAMAGE TO YOUR AUTO.

An **auto** ceases to be a **covered auto** when it is sold, assigned, gifted, titled, transferred, or possession permanently transferred to anyone other than **you**.

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

1. A state or federal felony in the United States;
 2. An attempt to flee or elude law enforcement or a crime scene; or
 3. An illegal activity, trade, or transportation;
- whether or not there is an arrest, charge, or conviction.

"Crime" does not include:

1. Misdemeanor violations of the motor vehicle or traffic laws other than an attempt to:
 - a. Flee or elude law enforcement; or
 - b. Flee a crime scene;
2. Vehicular homicide; or
3. Driving under the influence of alcohol or any illegal substance.

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

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

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

1. Service;
2. Consortium;
3. Society; or
4. Companionship;

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

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

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

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

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

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

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

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

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

R. **“Motor vehicle business”** means the **business** of:

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

S. **“Named insured”** means the individual(s) designated as the named insured(s) on the **Declarations Page**.

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

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

1. **Owned** by;
 2. Registered to; or
 3. Furnished or available for the regular use of;
- you** or a **family member**, while in the custody of, or while being operated with the **owner’s** express or implied permission by, **you** or a **family member**.

A vehicle rented from a commercial automobile rental company for no more than thirty (30) days is considered a **non-owned auto**. For purpose of this policy, a **non-owned auto** is not a **temporary substitute auto**.

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

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

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

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

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

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

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

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

AA. **“Racing”** means:

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

BB. **“Regular operator”** is someone who uses a **covered auto** at least seven (7) times over the last six (6) months prior to an **accident** or **loss**.

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

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

1. On the date **you** become the **owner** of a **replacement auto**, if coverage applies under this Policy, that **replacement auto** will have the same coverage as the **auto** shown on **your Declarations Page** that is being replaced.
2. The deductible that applies to a **replacement auto** shall be the same as the **auto** it replaced.
3. All coverage **we** provide for the **replacement auto** ends seven (7) calendar days after **you** become the **owner** if **you** do not ask **us** to insure it within those seven (7) calendar days.

4. The **replacement auto** is similar in type and use as a listed or scheduled **auto(s)** on the **Declarations Page**;
5. 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.
6. Notwithstanding the other provisions in this Definition, no coverage will apply to any **auto** at any time if the **auto** or its use is not an acceptable risk under **our** Rules in effect at the time the **auto** is acquired.

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

EE. "**Temporary substitute auto**" means any private passenger type auto, pickup or van not owned by, or under a sale agreement to, **you** or any person listed on the **Declarations Page** while used as a temporary replacement for any **covered auto** which is out of normal use because of its:

1. breakdown;
2. repair;
3. servicing;
4. loss; or
5. destruction.

In order to qualify as a **temporary substitute auto**, it must be:

1. Rented by **you** under a written contract from a business renting motor vehicles;
2. Used with the express permission of the **owner** of that **auto** and within the scope of that permission; and
3. Not owned by **you**, any **family member** or **insured**.

An auto ceases to be a **temporary substitute auto** the earlier of:

1. The **covered auto** it was replacing is repaired, restored to service, or replaced;
2. The auto being rented is returned;
3. Thirty (30) days.

Any coverage for a **temporary substitute auto** under this Policy shall not exceed thirty (30) days. For purpose of this policy, a **temporary substitute auto** is not a **non-owned auto**.

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

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

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

HH. "**Transportation network company vehicle**" or "**TNC vehicle**" means a vehicle that is used by a **transportation network company** driver to provide a **TNC prearranged trip**.

II. "**TNC prearranged trip**" means the provision of transportation by a **transportation network company** driver to a passenger provided through the use of a **TNC's digital network**:

1. Beginning when a **transportation network company** driver accepts a passenger's request for a trip through a **digital network** controlled by a **transportation network company**;
2. Continuing while the **transportation network company** driver transports the requesting passenger; and
3. Ending when the last requesting passenger departs from the **TNC vehicle**.

JJ. "**Undisclosed operator**" means a:

1. **Family member**;
2. Person fifteen (15) years or older who **resides** in **your** household; or
3. **Regular operator**;

who has a driver's license or permit but who is not listed on **your** Policy:

- a. At the time of application;
- b. At the time the person obtains a valid driver's license or permit; or
- c. Within thirty (30) days of **residing** in **your** household.

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

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

LL. “**You**” and “**your**” refer to:

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

MM. “**Your trailer**” means a non-motorized vehicle, including a farm wagon or farm implement, designed to be pulled on public roads by an **auto** if the **trailer** is:

1. **Owned by you**;
 2. Being towed by a **covered auto**; and
 3. Shown on the **Declarations Page**; and
- is not being used:
1. As a primary residence, office, store, **business** or for display purposes;
 2. For commercial purposes; or
 3. To transport passengers.

DUTIES AFTER AN ACCIDENT OR LOSS - FILING A CLAIM

GENERAL DUTIES

- A. **We** do not provide coverage under this Policy unless **you** have paid the required premium when due. Failure to give notice as required may affect coverage provided under this Policy. Failure to comply with any of the duties in this Policy may result in denial of coverage and relieve **us** of all duties to investigate, settle, defend, pay any judgment, or otherwise honor any claims made by an **insured** or against an **insured**.
- B. **We** must be notified promptly of how, when and where the **accident** or **loss** happened. Notice should include the following:
1. All known facts and circumstances. This notice to **us** should include all known names, addresses, and telephone numbers of any injured persons and witnesses.
 2. All known license plate information of vehicles involved or vehicle descriptions; and
 3. All known driver's license information of persons involved.
- C. A person, organization, or entity seeking coverage must:
1. Cooperate with **us** in the investigation, settlement, or defense of any claim or lawsuit and assist **us** in:

- a. Making settlements;
 - b. Obtaining or authorizing **us** to obtain or secure evidence;
 - c. Giving evidence;
 - d. Obtaining the attendance of witnesses at hearings and depositions; and
 - e. The conduct of lawsuits.
2. Promptly send **us** copies of any notices or legal papers received in connection with the **accident** or **loss**. **We** will not pay for attorney fees or costs incurred by any **insured** or other person without **our** prior written consent.
3. Agree to give **us** information and consent necessary for **us** to comply with any statutes or government regulations that apply including, but not limited to, the person's social security number.
4. Submit as often as **we** require to medical or physical exams by physicians **we** select. **We** will pay for these exams.
5. Submit to examinations under oath by **us** or **our** representative as often as **we** reasonably require. These examinations will take place at a reasonable location of **our** choice and outside the presence of any witness, person, or entity making a claim due to the same **accident** or **loss**, or any other person other than **your** attorney. **We** may:
- a. Also require an examination under oath from any **family member** who may be able to assist **us** in obtaining relevant information even if that person is not claiming benefits under this Policy; and
 - b. Make a video and/or audio recording or any other type of recording of an examination under oath.
6. Give **us** written and recorded statements as often as **we** reasonably request.
7. Give **us** written authorization to obtain:
- a. Medical records and reports, including current reports, notes and test results, records of prior medical history and treatment, therapy records and counseling records;
 - b. Credit and financial records;
 - c. Photographs;
 - 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 admit liability or voluntarily assume any obligation to pay, make any payment, or incur any expense for **bodily injury** or **property damage** arising out of an **accident**.
10. Attend hearings and trials as **we** require
11. Authorize **us** to get any information on any data, maintenance or event recorder device installed in a **covered auto** as **we** deem relevant to the facts of the **accident** or **loss**.
12. Allow **us** to take any photographs and/or audio/video recordings **we** may require as a part of **our** investigation.
13. Convey title to and possession of the damaged, destroyed, or stolen property to **us** if **our** payment is based on a total **loss**.
14. Authorize **us** access to **your** personal records as often as **we** may reasonably require.

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

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO

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

1. Promptly, but no later than twenty-four (24) hours after discovery of the **loss**, report the theft or vandalism of any **auto** or other property insured under this Policy, or its equipment or parts, to the police or other local law enforcement.
2. Take reasonable steps after a **loss** to protect all property insured under PART D > COVERAGE FOR DAMAGE TO YOUR AUTO from further **loss**. **We** will pay reasonable expenses incurred to protect that property. Any further **loss** due to failure to protect will not be covered under this Policy.
3. Permit **us** to inspect and appraise all **loss** covered under PART D > COVERAGE FOR DAMAGE TO YOUR AUTO before its repair or disposal.
4. Promptly report any **accident** or **loss** to the police or other local law enforcement if the person cannot identify the **owner** or operator of an at-fault vehicle involved in the **accident**.
5. Authorize **us** to move the damaged **auto** or **your trailer** to a storage facility of **our** choice at **our** expense.

PART A > LIABILITY COVERAGE

INSURING AGREEMENT

- A. Subject to the limit of liability shown on the **Declarations Page**, if **you** pay **us** the premium for Liability Coverage, **we** will pay compensatory damages for which an **insured** is legally liable due to **bodily injury** or **property damage** caused by an **accident** that arises out of the **ownership**, maintenance or use of an **auto** covered under this PART A. Damages include prejudgment interest awarded against the **insured** subject to **our** limit of liability for this PART A. **We** will not pay for **punitive** or **exemplary damages**.
- B. **We** will settle or defend, as **we** consider appropriate, any claim or suit asking for these damages. If **we** defend, **we** will choose the counsel of **our** choice which may include an in-house counsel. In addition to **our** limit of liability, **we** will pay all defense costs **we** incur. **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 DEFINITION FOR PART A > LIABILITY COVERAGE

“**Insured**,” as used in this PART A, means:

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

SUPPLEMENTARY PAYMENTS

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

1. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend and **we** choose to appeal. **We** have no duty to:
 - a. Apply for or furnish any bond; or
 - b. Pay premium on any bond in an amount exceeding **our** limit of liability.
2. Interest accruing after a judgment is entered in any suit **we** defend on that portion of the judgment that is within **our** limit of liability. **Our** duty to pay interest ends when **we** offer to pay that part of the judgment which does not exceed **our** limit of liability for this coverage.
3. Reasonable loss of earnings, up to \$200 per day that is incurred by an **insured** due to attendance at hearings, proceedings, or trials at **our** request. The **insured** must make a written request for loss of earnings and provide written proof of such loss.
4. Other reasonable expenses incurred at **our** request.
5. Up to \$250 for a bail bond required due to a traffic law violation resulting in **bodily injury** or **property damage** covered by this PART A. **We** have no duty to apply for or furnish such a bond.

However, **we** will not pay any costs or expenses, including attorney fees, incurred by any person or any **insured** because of a declaratory judgment action between that person or **insured** and **us**.

EXCLUSIONS

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

A. **We** do not provide Liability Coverage for, nor do **we** have a duty to defend for:

1. **Bodily injury** or **property damage**:
 - a. Caused intentionally by, or at the direction of, an **insured**; or
 - b. That is, or should be, reasonably expected to result from an intentional act of an **insured**;

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

However, any claim of a lienholder listed on the **declarations page** shall not be excluded from coverage as a result of any intentional act of, or caused by, **you** or a **family member**.

2. **Property damage** to property:

- a. Owned by;
- b. Rented to;
- c. Used by;
- d. Transported by; or
- e. In the care, custody, or control of; you, any family member, or an insured.

This exclusion does not apply to **property damage** to:

- a. a residence or private garage;
- b. a **non-owned auto** except this exclusion will apply to a **loss** due to or as a consequence of a seizure of a **non-owned auto** by federal or state law enforcement officers.

3. **Bodily injury** to an employee or fellow employee of any **insured** arising out of, and in the course of, employment. This exclusion does not apply to **bodily injury** to a domestic employee unless worker's compensation benefits, disability benefits, or similar benefits are required or available for that domestic employee.
4. Liability arising out of the **ownership**, maintenance or use of a vehicle while it is being used to **carry persons or property for compensation or a fee** or as a public or livery conveyance including liability arising out of the ownership, maintenance or use of a vehicle while it is used by a **transportation network company** driver who is logged onto a **transportation network company's digital network** but is not engaged in a **TNC prearranged trip** or while the driver provides a **TNC prearranged trip**. This exclusion does not apply to a share-the-expense car pool.
5. **Bodily injury** or **property damage** that occurs while the **insured** is employed or otherwise engaged in any **motor vehicle business**. However, this exclusion does not apply to the **ownership**, maintenance, or use of a **covered auto** by **you** or a **family member**.
6. **Bodily injury** or **property damage** that occurs while maintaining or using any vehicle while an **insured** is employed or otherwise engaged in any **business** (other than farming or ranching). However, if a **business** or artisan use is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**; maintenance; or use of that **auto** by:
 - a. **You**;
 - b. Any **family member**; or

- c. Any partner, agent or employee of **you** or any **family member**.
- 7. **Bodily injury** or **property damage** that occurs while any person is using an **auto** without the **owner's** express or implied permission or beyond the scope of the **owner's** express or implied permission. This exclusion does not apply to **you** or a **family member** when using or **occupying a covered auto**.
- 8. **Bodily injury** to **you**, any **family member**, any **insured** or **your** children.
- 9. **Bodily injury** or **property damage** for which an **insured**:
 - a. Is an insured under a nuclear energy liability policy; or
 - b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

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

- a. Nuclear Energy Liability Insurance Association;
- b. Mutual Atomic Energy Liability Underwriters; or
- c. Nuclear Insurance Association of Canada.
- 10. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance, or use of any vehicle while **racing**.
- 11. **Bodily injury** or **property damage** for which the United States Government is held responsible under the Federal Tort Claims Act.
- 12. **Bodily injury** or **property damage** arising out of any liability assumed by an **insured** under any contract or agreement.
- 13. **Bodily injury** or **property damage** to any person that results from an **accident** or **loss** that occurs while the **insured** is committing a **crime**.
- 14. **Bodily injury** or **property damage** caused by or any consequence of:
 - a. War, whether declared or undeclared;
 - b. Civil war;
 - c. Insurrection;
 - d. Rebellion or revolution;
 - e. Radioactive contamination; or
 - f. Nuclear reaction or radiation, whether controlled or uncontrolled or however caused.

- 15. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance, or use of a **covered auto** as a residence or premises.
- 16. **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.
- 17. Court ordered criminal restitution.
- 18. **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**.
- 19. **Bodily injury** or **property damage** resulting from the use of any **auto** by:
 - a. An excluded driver;
 - b. An **undisclosed operator**; or
 - c. Any person with a revoked or suspended driver's license or permit.
- 20. **Bodily Injury** or **property damage** for run charges, scene cleanup, rescue fees, or any other reimbursements to municipalities or public agencies for services in response to an accident. This exclusion does not apply to reasonable charges for ambulance transportation from the scene of an **accident** to the nearest qualified hospital.
- 21. **Bodily injury** or **property damage** that occurs while any vehicle is being used as an emergency vehicle.
- B. **We** do not provide Liability Coverage for, nor do **we** have a duty to defend, any **insured** for **bodily injury** or **property damage** arising out of the **ownership**, maintenance, or use of:
 - 1. Any vehicle which has less than four wheels or which is designed for use mainly off public roads such as any type of all-terrain or quad vehicle, dune buggy, go-cart, or golf cart. This exclusion does not apply to **your trailer**.
 - 2. Any vehicle, other than a **covered auto**, that is:
 - a. **Owned by you**; or
 - b. Furnished or available for **your** regular use.
 - 3. Any **auto**, other than a **covered auto**, that is:
 - a. **Owned by any family member**; or

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

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

4. A **covered auto** that:

- a. Has been rented, leased, subleased, loaned or given by **you** or a **family member** to another party in exchange for money, value, goods, services, compensation or reimbursement;
- b. Has been given in exchange for compensation;
- c. Is under a conditional sales agreement by **you** to another; or
- d. Has been entrusted to anyone other than **you** or a **family member** for consignment; sale; promoting sale; subleasing; leasing; renting; or selling, and is no longer in **your** possession.

LIMIT OF LIABILITY

WARNING: If we make a payment on behalf of 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 all damages, including **derivative claims**, arising out of and due to **bodily injury** sustained by any one person in any one **accident**. However, if liability coverage under PART A is payable on behalf of 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 **accident** is the most **we** will pay for all damages, including **derivative claims**, arising out of and due to **bodily injury** resulting from any one **accident**. However, if liability coverage under PART A is payable on behalf of 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 **accident** is the most **we** will pay for all damages due to **property damage** sustained in any one **accident**. However, if liability coverage under PART A is payable on behalf of 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 **accident**.
- D. If the **Declarations Page** indicates that a combined single limit applies, the limit of liability shown is the most **we** will pay for the total of all damages, including **derivative claims**, arising out of and due to **bodily injury** and/or **property damage** resulting from any one **accident**. However, if liability coverage under PART A is payable on behalf of a **permissive driver**, the most **we** will pay for the aggregate of all damages resulting from any one **accident** is the minimum combined limit of liability required by the state in which this Policy is issued. For the purpose of such limit of liability, all damages, including **derivative claims**, shall constitute a single claim. However, without changing this total limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.
- E. There will be no adding, stacking, or combining of coverage. The limits of liability for Bodily Injury Liability Coverage and Property Damage Liability Coverage shown on the **Declarations Page** are the most **we** will pay as the result of any one **accident** without regard to the number of:
 - 1. **Insureds**, heirs or survivors;
 - 2. Claimants;
 - 3. Claims made;
 - 4. Lawsuits filed;
 - 5. Vehicles shown on the **Declarations Page**;
 - 6. Premiums shown on the **Declarations Page**;
 - 7. Vehicles involved in the **accident**; or
 - 8. Premiums paid.
- F. If liability coverage under PART A is payable on behalf of a **permissive driver**, then the minimum limits of liability for **bodily injury** and **property damage** required by the state in which this Policy is issued is the most **we** will pay as the result of any one **accident** without regard to the number of:
 - 1. **Insureds**, heirs or survivors;
 - 2. Claimants;
 - 3. Claims made;
 - 4. Lawsuits filed;

5. Vehicles shown on the **Declarations Page**;
6. Premiums shown on the **Declarations Page**;
7. Vehicles involved in the **accident**; or
8. Premiums paid.

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

- G. An **auto** and attached **trailer** or a **covered auto** and **your trailer** are considered one **auto**. Therefore, the limit of liability will not be increased for an **accident** involving an **auto** with an attached **trailer** or a **covered auto** and **your trailer**.
- H. Any payment under PART A > LIABILITY COVERAGE will be reduced by any payment made to that person under PART B > MEDICAL PAYMENTS COVERAGE, or PART C (I) > UNINSURED MOTORIST BODILY INJURY COVERAGE,. However, this provision shall not reduce coverage under this PART A to an amount less than the **minimum limits**.
- I. No one will be entitled to receive duplicate payments for the same elements of **loss** or damage under PART A for which payment has been made:
 1. Under any other coverage provided by this Policy;
 2. By or on behalf of the person or organization that may be legally responsible; or
 3. Under any other insurance or source of recovery.
- J. If **we**, or an affiliate insurer, have issued more than one policy providing liability coverage, **we** will not pay more than the highest limit of liability under any one policy. The limit of liability may not be added, combined, or stacked with similar coverage under any policy issued by **us** or an affiliate insurer.

OUT OF STATE COVERAGE

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

If the state or province has:

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

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

FINANCIAL RESPONSIBILITY REQUIRED

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

OTHER INSURANCE

- A. If there is other applicable liability insurance, self-insurance, or bond, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limits of liability bear to the total of all applicable limits with the same priority. However, any insurance **we** provide for an **auto you** do not **own** shall be excess over any other collectible insurance, self-insurance or bond, except, any insurance **we** provide for a vehicle **you** do not own will be primary insurance if:
 1. The vehicle is insured under a policy affording coverage to a **named insured** engaged in the **motor vehicle business**.

This applies only if the person using the vehicle:
 - a. is operating the vehicle with the permission of the owner; and
 - b. is neither the person engaged in such business or that person's employee or agent; or
 2. The vehicle is leased by **you** under a written lease agreement and **you** have agreed to provide coverage for the operation of the vehicle.

- B. Any insurance **we** provide for a vehicle **you** own shall be excess to that of a person engaged in the **motor vehicle business**, if the **accident** occurs while the vehicle is in that person's possession, custody or control.
- C. 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.

PART B > MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

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

1. Caused by an **auto accident**;
2. Sustained by an **insured**; and
3. Arising out of the **ownership**, maintenance, or use of an **auto**.

We will pay only those **medical expenses** and funeral service expenses incurred within one (1) year from the date of the **accident**.

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

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

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

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

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

1. Reasonable loss of earnings to an **insured**, up to \$200 per day, that is incurred by an **insured** due to attendance at hearings, proceedings or trials at **our** request. The **insured** must provide **us** written proof of such loss; and

2. Other reasonable expenses the **insured** incurs at **our** request as a result of a lawsuit by a health care provider to recover **medical expenses we** refuse to pay because the fee is unreasonable or unnecessary.

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

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

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

ADDITIONAL DEFINITIONS FOR PART B > MEDICAL PAYMENTS COVERAGE

As used in this PART B:

- A. “**Insured**” means:

1. **You** or any **family member**:
 - a. While **occupying**; or
 - b. As a pedestrian when struck by a motor vehicle designed for use mainly on public roads.
2. Any other person while **occupying** a **covered auto** when the **covered auto** is being used with, and within the scope of, **your** permission.

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

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

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

1. Massage therapy not prescribed by a state licensed doctor of chiropractic;

2. Treatment, services, products, or procedures that are:
 - a. Experimental or for research; or
 - b. Not commonly and customarily recognized in the medical profession in the United States as customary treatment for **bodily injury**;
 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 geographical area in which the service is rendered. **We** may determine the **usual and customary charge** by using independent sources of **our** choice.

EXCLUSIONS

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

- A. **We** do not provide Medical Payments Coverage for any person for **bodily injury**:
1. Caused intentionally by, or at the direction of, an **insured** or that is, or should be, reasonably expected to result from an intentional act of an **insured** even if the actual **bodily injury** that results is different than that which was intended.
 2. Arising out of, and in the course of, employment if worker's compensation benefits, disability benefits or similar benefits are required or available for the **bodily injury**.
 3. Arising out of the **ownership**, maintenance or use of a vehicle while it is being used to **carry persons or property for compensation or a fee** or as a public or livery conveyance including liability arising out of the ownership, maintenance or use of a vehicle while it is used by a **transportation network company driver** who is logged onto a **transportation network company's digital network** but is not engaged in a **TNC prearranged trip** or while the driver provides a **TNC prearranged trip**. This exclusion does not apply to a share-the-expense car pool.
 4. That occurs while the **insured** is employed or otherwise engaged in any **motor vehicle business**. However, this exclusion does not apply to the **ownership**, maintenance, or use of a **covered auto** by **you** or a **family member**.
 5. That occurs while maintaining or using any vehicle while an **insured** is employed or otherwise engaged in any **business** (other than farming or ranching). However, if a **business** or artisan use is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**, maintenance; or use of that **auto** by:
 - a. **You**;
 - b. Any **family member**; or
 - c. Any partner, agent or employee of **you** or any **family member**.
6. That occurs while any person is using an **auto** without the **owner's** express or implied permission or beyond the scope of the **owner's** express or implied permission. This does not apply to **you** or a **family member** when using or **occupying a covered auto**.
7. For which an **insured**:
- a. Is an insured under a nuclear energy liability policy; or
 - b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
- For the purpose of this exclusion, a nuclear energy liability policy means a policy issued by any of the following or their successors:
- a. Nuclear Energy Liability Insurance Association;
 - b. Mutual Atomic Energy Liability Underwriters; or
 - c. Nuclear Insurance Association of Canada.
8. Arising out of the **ownership**, maintenance, or use of any vehicle while **racing**.
 9. For which the United States Government is held responsible under the Federal Tort Claims Act.
 10. Arising out of any liability assumed by an **insured** under any contract or agreement.
 11. Resulting from an **accident** or **loss** that occurs while the **insured** is committing a **crime**.
 12. Caused by or any consequence of:
 - a. War, whether declared or undeclared;
 - b. Civil war;
 - c. Insurrection;
 - d. Rebellion or revolution;
 - e. Radioactive contamination; or
 - f. Nuclear reaction or radiation, whether controlled or uncontrolled or however caused.
 13. Arising out of the **ownership**, maintenance, or use of a **covered auto** as a residence or premises.

14. 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.

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

16. Resulting from the use of any **auto** by:

- a. An excluded driver;
- b. An **undisclosed operator**; or
- c. Any person with a revoked or suspended driver's license or permit.

17. That occurs while any vehicle is being used as an emergency vehicle.

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

1. Any vehicle which has less than four wheels or which is designed for use mainly off public roads such as any type of all-terrain or quad vehicle, dune buggy, go-cart or golf cart. This exclusion does not apply to **your trailer**.
2. Any vehicle, other than a **covered auto** for which this coverage has been purchased, that is:
 - a. **Owned by you**; or
 - b. Furnished or available for **your** regular use.
3. Any **auto**, other than a **covered auto** for which this coverage has been purchased, that is:
 - a. **Owned by any family member**; or
 - b. Furnished or available for the regular use of any **family member**.

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

4. A **covered auto** that:

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

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

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

LIMIT OF LIABILITY

A. The limit of liability shown on the **Declarations Page** for Medical Payments Coverage is the most **we** will pay for all damages arising out of and due to **bodily injury** for each person injured in any one **accident**. There will be no adding, stacking, or combining of coverage. The limit of liability for Medical Payments Coverage shown on the **Declarations Page** is the most **we** will pay without regard to the number of:

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

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

C. No one will be entitled to receive duplicate payments for the same elements of damage under PART B for which payment has been made:

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

D. If **we**, or an affiliate insurer, have issued more than one policy providing medical payments coverage, **we** will not pay more than the highest limit of liability under any one policy. The limit of liability may not be added, combined, or stacked with similar coverage under any policy issued by **us** or an affiliate insurer.

ASSIGNMENT OF BENEFITS

We will pay for **medical expenses** directly to a licensed health care provider if the **insured** gives **us** a signed written assignment of benefits payable under PART B > MEDICAL PAYMENTS COVERAGE. If **we** pay benefits directly to a health care provider, **we** have no further

duty or liability to pay those same benefits to an **insured** or to any other person or entity.

OTHER INSURANCE

- A. If there is other applicable insurance that provides coverage for **medical expenses** and/or funeral service expenses including, but not limited to, other motor vehicle medical payments coverage, health or medical insurance, personal injury protection coverage, no-fault coverage, worker's compensation or similar insurance, any insurance **we** provide shall be excess to all other collectible insurance and bonds.
- B. If there is any other insurance for **medical expenses** with the same priority as this Medical Payments Coverage, **we** will not pay more than **our** share of the unpaid covered **medical expenses**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits with the same priority.
- C. This Policy will be excess over any coverage afforded to a permissive user of a **covered auto**.

ARBITRATION

- A. If an **insured** incurs **medical expenses** that **we** deem to not be **usual and customary charges**, **we** may refuse to pay for those expenses. If the **insured** or anyone claiming on their behalf does not agree with **our** decision, the dispute shall be resolved through binding arbitration. In this event, each party will select a competent and impartial arbitrator. The two arbitrators will state separately the **usual and customary charge** for reasonable expenses incurred for necessary medical and funeral services because of **bodily injury** from a covered **loss**. If they fail to agree, the two arbitrators will select an umpire. The arbitrators will submit their conclusions to the umpire for a selection of one of the conclusions. A conclusion agreed to by any two will be binding.
- B. Each party will:
 - 1. Pay its chosen arbitrator; and
 - 2. Bear the expenses of the arbitration and umpire equally.
- C. Disputes as to coverage for any person, accident or loss event under this PART B > MEDICAL PAYMENTS COVERAGE shall not be arbitrated.

PART C (I) > UNINSURED MOTORIST BODILY INJURY COVERAGE

INSURING AGREEMENT

- A. Subject to the limit of liability shown on the **Declarations Page**, if **you** pay **us** the premium for Uninsured Motorist Bodily Injury Coverage, **we** will pay compensatory damages for which an **insured** is legally entitled to recover from the **owner** or operator

of an **uninsured motor vehicle** because of **bodily injury**:

- 1. Sustained by that **insured**;
- 2. Caused by an **accident**; and
- 3. Arising out of the **ownership**, maintenance, or use of an **uninsured motor vehicle**.

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

- B. **We** will pay under this PART C (I) only after the limits of liability under any applicable **bodily injury** liability policies, self-insurance, and bonds have been exhausted by payment of judgments or settlements.
- C. **We** are not bound by any settlement entered into without **our** consent.
- D. **We** are not bound by any judgment for damages that arises out of a lawsuit brought without **our** prior written consent.

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

As used in this PART C (I):

- A. "**Insured**" means:
 - 1. **You** or any **family member**.
 - 2. Any other person **occupying** a **covered auto** with, and within the scope of, **your** express or implied permission. However, the limit of **our** liability for any individual who qualifies as an **insured** solely because of this subparagraph, will be the minimum limits of uninsured motorist bodily injury coverage specified by the uninsured motorist law or financial responsibility law of the state where this policy was issued, regardless of the limit stated on the **Declarations Page**.
- B. "**Uninsured motor vehicle**" means a land motor vehicle or **trailer**:
 - 1. To which no **bodily injury** liability bond or policy applies at the time of the **accident**.
 - 2. Which is a hit-and-run vehicle whose operator or **owner** cannot be identified and which makes actual physical contact with a **covered auto** or causes an **accident** without hitting:
 - a. **You** or a **family member**;
 - b. A vehicle that **you** or a **family member** are **occupying**; or
 - c. A **covered auto**.

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

- a. the facts of the **accident** must be corroborated by clear and convincing evidence, other than evidence provided by occupants of the **insured auto**, and
 - b. the **insured**, or someone on his or her behalf, must report the accident to the police or civil authority within a reasonable time after the accident, and
 - c. the **insured** must not be negligent in failing to determine the identity of the vehicle and the operator or **owner** of the vehicle, at the time of the **accident**.
3. To which a **bodily injury** liability bond or policy applies at the time of the **accident** but the bonding or insuring company:
 - a. Denies coverage; or
 - b. Is or becomes insolvent.
 4. To which a **bodily injury** liability bond or policy applies at the time of the **accident** but the sum of all applicable limits of liability for **bodily injury** is less than the coverage limit for Uninsured Motorist Bodily Injury Coverage shown on the **Declarations Page** or has been reduced by payments to persons other than the **insured** involved in the same **loss** to an amount which is less than the Limit of Liability for this coverage.

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

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

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

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

1. Promptly report any **accident** or **loss** to the police or other local law enforcement.
2. Notify the police within twenty-four (24) hours or as soon as practical after an **accident** that involves a hit-and-run vehicle or unknown driver.
3. Report the **accident** to **us** within thirty (30) days of the **accident**.
4. Serve a copy of any legal action and all pleadings on **us** as required by law.
5. Send **us** copies of legal papers if a lawsuit is commenced.
6. Promptly notify **us** in writing of an offer of settlement between the **insured** and the **owner**, operator or insurer of the **uninsured motor vehicle**.
7. Allow **us** thirty (30) days after an offer of settlement to advance payment to that **insured** in an amount equal to the offer to preserve all of **our** rights against the **owner**, operator, or insurer of any **uninsured motor vehicle**.
 - a. That payment will be separate from any amount the **insured** is entitled to recover under the provisions of Uninsured Motorists Bodily Injury Coverage; and
 - b. **We** also have a right to recover the advance payment, unless judgment is rendered in favor of the owner or operator of an **uninsured motor vehicle**.
8. Give **us** proof that the limits of liability under any liability policies that apply to an **uninsured motor vehicle** have been exhausted by payment of judgments or settlements.

EXCLUSIONS

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

- A. **We** do not provide Uninsured Motorist Coverage for **bodily injury** sustained by any **insured**:
 1. If the **insured** or his or her legal representative, without thirty (30) days advance written notice to **us**, either:
 - a. Settles the **bodily injury** claim; or
 - b. Brings suit and obtains a judgment related to the **bodily injury** claim.
 2. If **our** interests or rights have been impaired or prejudiced by a judgment in any lawsuit against any person or organization that may be liable for such **bodily injury** and **we** have not given prior written consent to the **insured** to proceed with that lawsuit.

3. Arising out of, and in the course of, employment. This exclusion does not apply to **bodily injury** to a domestic employee unless worker's compensation, disability benefits, or similar benefits are required or available for that domestic employee.
4. While **occupying** a **covered auto** while it is being used to **carry persons or property for compensation or a fee**, or as a public or livery conveyance including liability arising out of the ownership, maintenance or use of a vehicle while it is used by a **transportation network company driver** who is logged onto a **transportation network company's digital network** but is not engaged in a **TNC prearranged trip** or while the driver provides a **TNC prearranged trip**. This exclusion does not apply to a share-the-expense car pool.
5. That occurs while the **insured** is employed or otherwise engaged in any **motor vehicle business**. However, this exclusion does not apply to the **ownership**, maintenance, or use of a **covered auto** by **you** or a **family member**.
6. That occurs while maintaining or using any vehicle while an **insured** is employed or otherwise engaged in any **business** (other than farming or ranching). However, if a **business** or artisan use is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**; maintenance; or use of that **auto** by:
 - a. **You**;
 - b. Any **family member**; or
 - c. Any partner, agent or employee of **your** or any **family member**.
7. While using an **auto** without the **owner's** express or implied permission or beyond the scope of the **owner's** express or implied permission.
8. Who:
 - a. Is an insured under a nuclear energy liability policy; or
 - b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

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

 - a. Nuclear Energy Liability Insurance Association;
 - b. Mutual Atomic Energy Liability Underwriters; or
 - c. Nuclear Insurance Association of Canada.
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. That results from an **accident** or **loss** that occurs while the **insured** is committing a **crime**.
12. Caused by or any consequence of:
 - a. War, whether declared or undeclared;
 - b. Civil war;
 - c. Insurrection;
 - d. Rebellion or revolution;
 - e. Radioactive contamination; or
 - f. Nuclear reaction or radiation, whether controlled or uncontrolled or however caused.
13. Resulting from the discharge of any firearm or weapon in connection with the **ownership**, maintenance, or use of any **auto**.
14. If that person or the legal representative settles the **bodily injury** claim without **our** written consent, this exclusion does not apply to a settlement made with an insurer of a vehicle described in definition 4. of **uninsured motor vehicle**.
15. While **occupying** or when struck by, any motor vehicle owned by an **insured**, **family member** or resident of **your** household which is not insured for this coverage under this policy. This includes a **trailer** of any type used with that vehicle.
16. While **occupying** or when struck by, any motor vehicle owned by **you**, a **family member** or resident of **your** household which is insured for this coverage on a primary basis under any other policy.
17. While **occupying** any **auto**:
 - a) being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - b) used or operated in an attempt to flee a law enforcement agent;

and such person is a willing participant in such activity listed in a) or b) above.
18. Resulting from the use of any **auto** by:
 - a. An excluded driver; or
 - b. An **undisclosed operator**.
- B. Coverage under this PART C (I) shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:
 1. Worker's compensation law; or

2. Disability benefits law.

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

1. Any settlement entered into without **our** consent; or
2. Judgment entered into with a party who is liable for damages without **our** consent.

LIMIT OF LIABILITY

- A. The Uninsured Motorist Bodily Injury limit of liability shown on the **Declarations Page** for each person is the most **we** will pay for all damages, including **derivative claims**, arising out of and due to **bodily injury** sustained by any one person in any one **accident**. For the purpose of such limit of liability, all damages, including **derivative claims**, shall constitute a single claim.
- B. Subject to the limit of liability for each person, the Uninsured Motorist Bodily Injury limit of liability shown on the **Declarations Page** for each **accident** is the most **we** will pay for all damages, including **derivative claims**, arising out of and due to **bodily injury** resulting from any one **accident**. For the purpose of such limit of liability, all damages, including **derivative claims**, shall constitute a single claim.
- C. If the **Declarations Page** indicates that a combined single limit applies, the limit of liability shown is the most **we** will pay for the total of all damages, including **derivative claims**, arising out of and due to **bodily injury** and **property damage** as the result of any one **accident**. For the purpose of such limit of liability, all damages, including **derivative claims**, shall constitute a single claim. However, without changing this total limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.
- D. There will be no adding, stacking, or combining of coverage. The limits of liability for Uninsured Motorist Bodily Injury shown on the **Declarations Page** are the most **we** will pay as the result of any one **accident** without regard to the number of:
1. **Insureds**, heirs or survivors;
 2. Claimants;
 3. Claims made;
 4. Lawsuits filed;
 5. Vehicles shown on the **Declarations Page**;
 6. Premiums shown on the **Declarations Page**;
 7. Vehicles involved in the **accident**;
 8. Premiums paid; or
 9. Policies issued by **us**.
- E. Any payment under PART C (I) > UNINSURED MOTORIST BODILY INJURY COVERAGE will be reduced by all sums:

1. Paid or payable from or on behalf of persons or organizations that may be legally liable. This includes, but is not limited to, all sums paid or payable under PART A > LIABILITY COVERAGE; and
 2. Paid or payable under any of the following or similar laws:
 - a. Worker's compensation law;
 - b. Disability benefits law;
 - c. Personal Injury Protection Coverage or No-Fault Coverage; or
 - d. Medical Payments Coverage.
- F. No one will be entitled to receive duplicate payments for the same elements of **loss** or damage under PART C (I) for which payment has been made:
1. Under any other coverage provided by this Policy;
 2. By or on behalf of the person or organization that may be legally responsible; or
 3. Under any other insurance or source of recovery.
- G. If **we**, or an affiliate insurer, have issued more than one policy providing uninsured motorist bodily injury coverage, **we** will not pay more than the highest limit of liability under any one policy. The limit of liability may not be added, combined, or stacked with similar coverage under any policy issued by **us** or an affiliate insurer.

OTHER INSURANCE

- A. If an **insured** sustains **bodily injury**:
1. While not occupying an **auto**, the insurance on the **auto** under which the **insured** is insured with the highest limits of uninsured motorist bodily injury coverage shall apply, and no other uninsured motorist bodily injury coverage shall apply. In no instance shall uninsured motorist bodily injury coverage from more than one policy be available as primary coverage. If two or more policies provide the highest limit, all such policies will share the loss equally;
 2. While **occupying** an **auto** owned by that **insured**, only the limits of uninsured motorist bodily injury coverage on the **auto** in which the **insured** is an occupant shall apply. The limits of uninsured motorist bodily injury coverage shall not be increased because of multiple **autos**, whether covered under a single policy or multiple policies, and in no event shall the total amount of recovery from all policies and bonds, including any amount recovered under the **insured's** uninsured motorist bodily injury coverage, exceed the limits of the **insured's** uninsured motorist bodily injury coverage;

3. While **occupying** an **auto** not owned by that **insured**, the following priorities of recovery under uninsured motorist coverage apply:
- First priority coverage: the uninsured motorist bodily injury coverage on the **auto** in which the **insured** was an occupant shall be the primary uninsured motorist bodily injury coverage;
 - Second priority coverage: if the first priority coverage is exhausted due to the extent of compensatory damages, then the uninsured motorist bodily injury coverage provided by a policy under which the **insured** is a named insured shall be applicable as excess coverage to the first priority coverage, provided that if the **insured** is covered as a named insured under more than one policy, then only the policy with the highest limits of uninsured motorist bodily injury coverage shall apply. If two or more policies provide the highest limit, all such policies will share the **loss** equally;
 - Third priority coverage: if the first priority coverage and the second priority coverage, if applicable, are exhausted due to the extent of compensatory damages, then the uninsured motorist bodily injury coverage provided by a policy under which the **insured** is covered other than as a named insured shall be applicable as excess coverage to the first priority coverage and the second priority coverage, provided that if the **insured** is covered by more than one such policy, then only the policy with the highest limits of uninsured motorist bodily injury coverage shall apply. If two or more policies provide the highest limit, all such policies will share the **loss** equally;

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

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

ARBITRATION

A. Arbitration in the event of a full limits settlement offer from a liable party.

In the event **we** consent to a full limits settlement offer from a liable party as allowed under Section 56-7-1206 of the Tennessee Code Annotated, any arbitration between the **insured** and **us** will be subject to the full limits settlement requirements as set out under Section 56-7-1206 of the Tennessee Code Annotated.

B. Arbitration of other disputes between an insured and us not involving a full limits settlement offer from a liable party.

If **we** and an **insured** disagree:

- to the extent to which the **insured** is legally entitled to recover damages from the owner or operator of an **uninsured motor vehicle** (i.e., issues of liability); or
- as to the amount of damages sustained by the **insured**,

then either party may propose arbitration.

Both **we** and the **insured** must agree to arbitration.

This arbitration shall be limited to the two aforementioned factual issues. The arbitrator will not have the power to decide any dispute regarding the nature or amount of coverage provided by the policy or claims for damages outside the terms of the policy, including, but not limited to, claims for: bad faith; fraud; misrepresentation; punitive or exemplary damages; attorney fees and/or interest.

If **we** and an **insured** agree to arbitration, unless otherwise required by state law, the method, manner and format of any arbitration process will be subject to agreement by both parties.

All expenses, other than the cost of the arbitrator, shall be paid by the party which incurs the expense. This includes, but is not limited to, attorney fees and witness fees.

The written decision by the arbitrator(s) shall be binding on **us** and the **insured** as to:

- Whether the **insured** is legally entitled to recover damages; and
- The amount of damages. This applies only if the amount does not exceed the minimum limit for liability specified by the financial responsibility law of Tennessee. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

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

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

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

D. Nothing in this section shall preclude settlement of the claim at any time, upon terms and conditions as agreed to by the parties.

STATUTE OF LIMITATIONS

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

PART C (II) > UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE

INSURING AGREEMENT

- A. Subject to the limit of liability shown on the **Declarations Page**, if **you** pay **us** the premium for Uninsured Motorist Property Damage Coverage, then **we** will pay compensatory damages for which an **insured** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of **property damage**:
1. To a **covered auto** for which Uninsured Motorist Property Damage has been purchased;
 2. Caused by an **accident**; and
 3. Arising out of the **ownership**, maintenance, or use of an **uninsured motor vehicle**.

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

- B. **We** will pay under this PART C (II) only after the limits of liability under any applicable **property damage** liability policies, self-insurance, and bonds have been exhausted by payment of judgments or settlements.
- C. **We** are not bound by any settlement entered into without **our** consent.
- D. **We** are not bound by any judgment for damages that arises out of a lawsuit brought without **our** prior written consent.

CHILD RESTRAINTS

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

1. It was in the **covered auto** at the time of the **accident**; and

2. Uninsured Motorist Property Damage Coverage applies due to the liability of the **owner** or operator of the **uninsured motor vehicle**.

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

As used in this PART C (II):

- A. "**Insured**" means **you** or a **family member**.
- B. "**Original equipment manufacturer**" and "**OEM**" mean parts or items:
1. Produced and/or installed by the manufacturer of the **auto**; or
 2. Produced by a vendor of the manufacturer of the **auto** that the manufacturer intends as a part of the **auto** or manufacturer's option when new.
- C. "**Property damage**" means physical damage to, or destruction of, a **covered auto** for which this coverage has been purchased. "**Property damage**" does not include loss of use.
- D. "**Uninsured motor vehicle**" means a land motor vehicle or **trailer** of any type:
1. To which no **property damage** liability bond or policy applies at the time of the **accident**.
 2. Which is a hit-and-run vehicle whose operator or **owner** cannot be identified and which makes actual physical contact with a **covered auto** or causes an **accident** without hitting a **covered auto**. If there is no physical contact with the hit-and-run vehicle:
 - a. the facts of the **accident** must be corroborated by clear and convincing evidence, other than evidence provided by occupants of the **insured auto**, and
 - b. the **insured**, or someone on his or her behalf, must report the accident to the police or civil authority within a reasonable time after the accident, and
 - c. the **insured** must not be negligent in failing to determine the identity of the vehicle and the operator or **owner** of the vehicle, at the time of the **accident**.
 3. To which a **property damage** liability bond or policy applies at the time of the **accident**, but the bonding or insuring company:
 - a. Denies coverage; or
 - b. Is or becomes insolvent.
 4. To which a **property damage** liability bond or policy applies at the time of the **accident** but the sum of all applicable limits of liability for **property damage** is less than the coverage limit for Uninsured Motorist Property Damage Coverage shown on the **Declarations Page** or has been reduced by payments to persons other than the **insured** involved in the same **loss** to

an amount which is less than the Limit of Liability for this coverage.

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

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

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

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

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

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

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

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

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

EXCLUSIONS

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

- A. **We** do not provide Uninsured Motorist Property Damage Coverage for **property damage** sustained by any **insured**:
 1. If the **insured** or his or her legal representative, without thirty (30) days advance written notice to **us**, either:
 - a. Settles the **property damage** claim; or
 - b. Brings suit and obtains a judgment related to the **property damage** claim;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 **property damage** and **we** have not given prior written consent to the **insured** to proceed with that lawsuit.
 3. For the first \$200 of the amount of **property damage** to the property of each **insured** as the result of any one **accident**. This exclusion does not apply if:
 - a. **We** insure **your covered auto** for both **collision** and uninsured motorists property damage coverage; and
 - b. The operator of the **uninsured motor vehicle** is positively identified as solely at fault.

4. That occurs while the **covered auto** is being used to **carry persons or property for compensation or a fee**, or as a public or livery conveyance including liability arising out of the ownership, maintenance or use of a vehicle while it is used by a **transportation network company driver** who is logged onto a **transportation network company's digital network** but is not engaged in a **TNC prearranged trip** or while the driver provides a **TNC prearranged trip**. This exclusion does not apply to a share-the-expense car pool.
5. That occurs while the **covered auto** is being maintained or used by any person while employed or otherwise engaged in any **motor vehicle business**.
6. That occurs while the **covered auto** is being maintained or used by any person employed or otherwise engaged in any **business** (other than farming or ranching). If a **business** or artisan use is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**; maintenance; or use of that **auto** by:
 - a. **You**; or
 - b. Any **family member**.
7. For which insurance:
 - a. Is afforded under a nuclear energy liability policy; or
 - b. Would be afforded under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

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

 - a. Nuclear Energy Liability Insurance Association;
 - b. Mutual Atomic Energy Liability Underwriters; or
 - c. Nuclear Insurance Association of Canada.
8. While the **covered auto** is engaged in **racing**.
9. While the **covered auto** is being used in the course of committing a **crime**.
10. Caused by or any consequence of:
 - a. War, whether declared or undeclared;
 - b. Civil war;
 - c. Insurrection;
 - d. Rebellion or revolution;
 - e. Radioactive contamination; or
 - f. Nuclear reaction or radiation, whether controlled or uncontrolled or however caused.
11. If that person or the legal representative settles the **property damage** claim without **our** written consent, this exclusion does not apply to a settlement made with an insurer of a vehicle described in definition 4. of **uninsured motor vehicle**.
12. While **occupying** or when struck by, any motor vehicle owned by an **insured, family member** or resident of **your** which is not insured for this coverage under this policy. This includes a **trailer** of any type used with that vehicle.
13. While **occupying** or when struck by, any motor vehicle owned by **you**, a **family member** or a resident of **your** household which is insured for this coverage on a primary basis under any other policy.
14. While **occupying** any **auto**:
 - a. being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - b. used or operated in an attempt to flee a law enforcement agent;

and such person is a willing participant in such activity listed in 14.a. or 14.b. above.
15. Resulting from the use of any **auto** by:
 - a. An excluded driver; or
 - b. An **undisclosed operator**.
- B. **We** do not provide coverage for **property damage** arising out of the **ownership**, maintenance, or use of:
 1. Any vehicle which is not insured for Uninsured Motorist Property Damage Coverage under this Policy, that is:
 - a. **Owned by you**; or
 - b. Furnished or available for **your** regular use.

This includes a **trailer** of any type used with that vehicle.
 2. Any vehicle which is not insured for Uninsured Motorist Property Damage Coverage under this Policy that is:
 - a. **Owned by any family member**; or
 - b. Furnished or available for the regular use of any **family member**.
- C. Coverage under this PART C (II) will not apply directly or indirectly to benefit any insurer or self-insurer of property.

- D. **We** will not be bound by:
1. Any settlement entered into without **our** consent; or
 2. Judgment entered into with a party who is liable for damages without **our** consent.

LIMIT OF LIABILITY

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

1. **Actual cash value** of the damaged property at the time of the **accident** or **loss**, reduced by:
 - a. The applicable deductible shown on the **Declarations Page**; and
 - b. Its salvage value if **you** or the **owner** retain the salvage.
2. Amount necessary to repair the physical damage to the **covered auto**, or its parts if the **loss** is limited to parts, to return it to its pre-**loss** physical condition, reduced by the applicable deductible shown on the **Declarations Page**;
3. Amount necessary to replace the stolen or damaged property, or its parts if the **loss** is limited to parts, reduced by:
 - a. The applicable deductible shown on the **Declarations Page**; and
 - b. Its salvage value if **you** or the **owner** retain the salvage; or
4. The limit of Uninsured Motorist Property Damage shown on the **Declarations Page**.

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

- B. There will be no adding, stacking, or combining of coverage. The limit of liability for Uninsured Motorist Property Damage shown on the **Declarations Page** is the most **we** will pay for all **property damage** sustained in any one **accident** without regard to the number of:
1. **Insureds**, heirs or survivors;
 2. Claimants;
 3. Claims made;
 4. Lawsuits filed;
 5. Vehicles shown on the **Declarations Page**;
 6. Premiums shown on the **Declarations Page**;

7. Vehicles involved in the **accident**;
8. Premiums paid; or
9. Policies issued by **us**.

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

1. Its market value;
2. The useful life of the part; or
3. The improvement of the condition of the **auto** considering wear and tear and damage that existed prior to the **loss**.

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

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

- D. In repairing damaged property, **we** may specify the use of mechanical, non-safety related automobile parts not made by the original manufacturer. These parts will be at least equal in terms of fit, quality, performance, and warranty to the original manufacturer parts they replace. Warranties applicable to non-**OEM** parts may be provided by the manufacturer or distributor of these parts rather than the manufacturer of the **covered auto**. If **we** specify the use of non-**OEM** parts, **we** will identify each such part on **your** repair estimate.
- E. In determining the amount necessary to repair the damaged parts, **we** will not pay more than the prevailing competitive labor rates charged in the area in which the property is to be repaired. **We** will also not pay more than the cost of repair or replacement parts as reasonably determined by **us**. **Our** liability for the cost of repairing damaged property is limited to the amount needed to perform physical repairs to the stolen or damaged property. PART C (II) > UNINSURED MOTORIST PROPERTY DAMAGE 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 C (II) are subject to the terms set forth here:
1. No more than one deductible shall be applied to any one covered **loss**.
 2. In determining the amount necessary to repair damaged property to its pre-**loss** condition, the amount to be paid by **us** will be based on the cost of repair or on the cost of replacement parts and equipment which may be new, reconditioned, remanufactured or used including, but not limited to:
 - a. Original manufacturer parts or equipment; and
 - b. Non-OEM parts or equipment.
 3. The **actual cash value** is determined by the market value, age and condition of the **covered auto** at the time the **loss** occurs.
- H. **We** have no duty to pay the **actual cash value** of window glass or to replace window glass after a **loss** if **you** agree to have the window glass repaired at **our** expense.
- I. No one will be entitled to receive duplicate payments for the same elements of damages or **loss** under this coverage for which payment has been made:
1. Under any other coverage provided by this Policy;
 2. By or on behalf of the person or organization that may be legally responsible; or
 3. Under any other insurance or source of recovery.
- J. After an **accident** to which PART C (II) applies, **we** will pay reasonable charges, as determined by **us**, for transporting and storing a **covered auto** to a repair facility near the location of **loss**. **We** will only pay up to three (3) days of reasonable storage charges incurred arising out of the **loss** and incurred before the claim is reported to **us**. However, in the event of a total **loss** to an **auto** listed on the **Declarations Page**, any storage charges owed will be reduced by the **actual cash value** of the **covered auto**.
- K. Any payment to a person under this PART C (II) > UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE shall be reduced by any payment made to that person under PART D > COVERAGE FOR DAMAGE TO YOUR AUTO.
- L. If **we**, or an affiliate insurer, have issued more than one policy providing uninsured motorist property damage coverage, **we** will not pay more than the

highest limit of liability under any one policy. The limit of liability may not be added, combined, or stacked with similar coverage under any policy issued by **us** or an affiliate insurer.

PAYMENT OF LOSS

- A. At **our** option, **we** may pay for the **loss** in money or repair or replace the **property damage**.
- B. **We** may make payment for a **loss** to **you**, the owner of the property, or the lienholder.
- C. If **we** make a payment for a total **loss** of a **covered auto**, **you** must transfer the title of that **auto** to **us** at or before the time of payment, unless **you** keep the salvage of the totaled **covered auto**.
- D. A party with an additional interest in a **covered auto** shall have no greater rights than **your** rights to recover for a **loss**.

PERMISSION TO RELEASE VEHICLE

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

OTHER INSURANCE

- A. If an **insured** sustains **property damage**:
1. While not occupying a **covered auto**, the insurance on the **auto** under which the **insured** is insured with the highest limits of uninsured motorist property damage coverage shall apply, and no other uninsured motorist property damage coverage shall apply. In no instance shall uninsured motorist property damage coverage from more than one policy be available as primary coverage. If two or more policies provide the highest limit, all such policies will share the **loss** equally;
 2. While **occupying a covered auto owned** by that **insured**, only the limits of uninsured motorist property damage coverage on the **auto** in which the **insured** is an occupant shall apply. The limits of uninsured motorist property damage coverage shall not be increased because of multiple **autos**, whether covered under a single policy or multiple policies, and in no event shall the total amount of recovery from all policies and bonds, including any amount recovered under the **insured's** uninsured motorist property damage coverage, exceed the limits of the **insured's** uninsured motorist property damage coverage;
 3. While **occupying an auto not owned** by that **insured**, the following priorities of recovery under uninsured motorist coverage apply:

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

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

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

ARBITRATION

A. Arbitration in the event of a full limits settlement offer from a liable party.

In the event **we** consent to a full limits settlement offer from a liable party as allowed under Section 56-7-1206 of the Tennessee Code Annotated, any arbitration between the **insured** and **us** will be subject to the full limits settlement requirements as

set out under Section 56-7-1206 of the Tennessee Code Annotated.

B. Arbitration of other disputes between an insured and us not involving a full limits settlement offer from a liable party.

If **we** and an **insured** disagree:

1. to the extent to which the **insured** is legally entitled to recover damages from the owner or operator of an **uninsured motor vehicle** (i.e., issues of liability); or
2. as to the amount of damages sustained by the **insured**,

then either party may propose arbitration.

Both **we** and the **insured** must agree to arbitration.

This arbitration shall be limited to the two aforementioned factual issues. The arbitrator will not have the power to decide any dispute regarding the nature or amount of coverage provided by the policy or claims for damages outside the terms of the policy, including, but not limited to, claims for: bad faith; fraud; misrepresentation; punitive or exemplary damages; attorney fees and/or interest.

If **we** and an **insured** agree to arbitration, unless otherwise required by state law, the method, manner and format of any arbitration process will be subject to agreement by both parties.

In the event arbitration is agreed upon, the costs of the arbitrator(s) will be paid pursuant to paragraph C. below. All other expenses shall be paid by the party, which incurs the expense. This includes, but is not limited to, attorney fees and witness fees.

The written decision by the arbitrator(s) shall be binding on **us** and the **insured** as to:

- a. Whether the **insured** is legally entitled to recover damages; and
- b. The amount of damages. This applies only if the amount does not exceed the minimum limit for liability specified by the financial responsibility law of Tennessee. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

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

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

STATUTE OF LIMITATIONS

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

PART D > COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT – COLLISION COVERAGE

If **you** pay **us** the premium for Collision Coverage and it is shown on the **Declarations Page**, **we** will pay for **loss** to a **covered auto** and its equipment and 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 an acceptable risk under **our** Rules in effect at the time the **auto** is added to the Policy.

INSURING AGREEMENT – COMPREHENSIVE COVERAGE

If **you** pay **us** the premium for Comprehensive Coverage and it is shown on the **Declarations Page**, **we** will pay for **loss** to a **covered auto** and its equipment and 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 an acceptable risk under **our** Rules in effect at the time the **auto** is added to the Policy.

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

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.
- 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.
- 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 per policy period.
- E. **You** will not be entitled to receive duplicate payment under this coverage for reasonable costs **you** incur and which are covered elsewhere under this Policy.
- F. **We** will only provide Towing and Labor Coverage within the policy territory as defined in the GENERAL PROVISIONS of this Policy.
- G. Locksmith service is **NOT** a disablement for which towing and labor coverage will be provided.
- H. **You** must give **us** written verifiable proof of towing and/or labor charges incurred.

TRANSPORTATION EXPENSES COVERAGE

- 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**; or
- A deductible will not apply to this coverage.
- B. **We** will pay only transportation expenses or loss of use expenses, whichever is applicable, incurred during the period:
1. Beginning forty-eight (48) hours after **you** notify the police and **us** of the theft of a **covered auto**; and
 2. Ending the earlier 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 expense limit.
- C. **We** will not pay for transportation expenses if there is a theft only of **your trailer**.
- D. **You** must give **us** written verifiable proof of **your** transportation and/or loss of use expenses.
- E. At **your** request, **we** will guarantee payment of transportation expenses to the provider of such transportation up to \$20 per day, to a maximum limit of \$600, and shall pay such provider directly.
- F. There shall be no duplicate recovery for the same elements of **loss** or expense under this coverage and any other coverage provided by this Policy. However, if **you** purchase Rental Reimbursement Coverage with the same or higher limits of coverage than this section provides, then the provisions and limits of the Rental Reimbursement Coverage shall apply to the total theft of a **covered auto**. Transportation Expenses Coverage cannot be combined or stacked with the Rental Reimbursement Coverage provided under PART D.

RENTAL REIMBURSEMENT COVERAGE

- A. Subject to the each day and each **accident** limit shown on the **Declarations Page**, if **you** pay **us** the premium for Rental Reimbursement Coverage, **we** will reimburse **you** or, at **our** option, pay directly on **your** behalf the daily rental expenses incurred by **you** when **you** rent an **auto** from a commercially licensed rental agency approved by **us**. No deductible will apply to this coverage. Rental Reimbursement Coverage will apply only to the **covered auto** for which this coverage and a specific premium are shown on the **Declarations Page**.
- B. The length of time for which this coverage will apply will be limited to the lesser of:
 - 1. The period of time reasonably required, as determined by **us**, to repair a **covered auto**; or
 - 2. Seventy-two (72) hours after **we** make an offer to pay the **actual cash value** of the **covered auto** in the event of a total **loss**.
- C. Daily rental expenses shall not include the cost of:
 - 1. Insurance related to the rental of the **auto**;
 - 2. Refueling the rental **auto**;
 - 3. Mileage fees;
 - 4. Navigation devices;
 - 5. **Collision** damage waiver; or
 - 6. Tolls.
- D. Rental Reimbursement Coverage applies only if the **covered auto** is withdrawn from use for more than twenty-four (24) hours and:

- 1. **You** have purchased Collision Coverage for that **covered auto** and the **loss** falls under that coverage; or
- 2. **You** have purchased Comprehensive Coverage for that **covered auto** and the **loss** falls under that coverage.
- E. If **you** purchase Rental Reimbursement Coverage with a limit lower than that provided for in the Transportation Expenses Coverage provision in PART D and the **loss** involves the total theft of a **covered auto**, then the limits and provisions applicable to transportation expenses under Transportation Expenses Coverage will apply.
- F. Rental Reimbursement Coverage cannot be combined or stacked with the Transportation Expenses Coverage provided under PART D.

CUSTOMIZED EQUIPMENT AND PARTS COVERAGE

- A. Unless **you** pay **us** the premium for Additional Customized Equipment and Parts Coverage and it is shown on the **Declarations Page** or on the applicable schedule, the limit of liability for **loss** to **customized equipment and parts** is the lowest of:
 - 1. The **actual cash value** of such **customized equipment and parts**, reduced by the applicable deductible and by its salvage value if **you** or the **owner** retain the salvage;
 - 2. The amount necessary to repair the **customized equipment and parts**, reduced by the applicable deductible;
 - 3. The amount necessary to replace the **customized equipment and parts**, reduced by the applicable deductible and reduced by its salvage value if **you** or the **owner** retain the salvage; or
 - 4. \$1000.
- B. If the **actual cash value** of the **covered auto** without the **customized equipment and parts** is less than \$1000, the most **we** will pay is the **actual cash value** of the **covered auto** unless Additional Customized Equipment and Parts Coverage has been purchased.
- C. 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.

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

As used in this PART D:

A. **“Collision”** means the upset of a **covered auto** or its impact with another vehicle or object.

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; bed-liners; 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.

D. **“Original equipment manufacturer”** and **“OEM”** mean parts or items:

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

E. **“Your trailer”**, as used in PART D only, means a non-motorized vehicle, including a farm wagon or farm implement, designed to be pulled on public roads by an **auto** if the **trailer** is:

1. **Owned** by **you**; and
 2. Shown on the **Declarations Page**; and
- is not being used:

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

EXCLUSIONS

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

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

1. **Loss:**

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

even if the actual **loss** or damage is different than that which was intended.

However, any claim of a lienholder listed on the **declarations page** shall not be excluded from coverage as a result of any intentional act of, or caused by, **you** or a **family member**.

2. **Loss** to a **covered auto** that occurs while it is being used to **carry persons or property for compensation or a fee** or as a public or livery conveyance including **loss** to a **covered auto** arising out of the ownership, maintenance or use of a **covered auto** while it is used by a **transportation network company** driver who is logged onto a **transportation network company's digital network** but is not engaged in a **TNC prearranged trip** or while the driver provides a **TNC prearranged trip**. This exclusion does not apply to a share-the-expense car pool.
3. **Loss** to a **covered auto** being maintained or used by any person while employed or otherwise engaged in any **motor vehicle business**.
4. **Loss** to a **covered auto** while maintained or used by any person employed or otherwise engaged in any **business** (other than farming or ranching). If a **business** or artisan use is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**, maintenance, or use of that **auto** by:
 - a. **You**; or

- b. Any **family member**.
5. **Loss** to any vehicle for which insurance:
- a. Is afforded under a nuclear energy liability policy; or
 - b. Would be afforded under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
- For purposes of this exclusion, a nuclear energy liability policy means a policy issued by any of the following or their successors:
- a. Nuclear Energy Liability Insurance Association;
 - b. Mutual Atomic Energy Liability Underwriters;
 - c. Nuclear Insurance Association of Canada.
6. **Loss** to a **covered auto** while such **auto** is engaged in **racing**.
7. **Loss** that occurs while a **covered auto** is being used in the course of committing a **crime**. This does not apply to **loss** that occurs when the **covered auto** has been stolen.
8. **Loss** caused by or as any consequence of:
- a. War, whether declared or undeclared;
 - b. Civil war;
 - c. Insurrection;
 - d. Rebellion or revolution;
 - e. Radioactive contamination; or
 - f. Nuclear reaction or radiation, whether controlled or uncontrolled or however caused.
9. **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.
10. Damage due and confined to:
- a. Wear and tear;
 - b. Freezing;
 - c. Mechanical, electronic, or electrical breakdown or failure;
 - d. Deterioration, rust or corrosion; or
 - e. Road damage to tires.

This exclusion does not apply if the damage results from the total theft of a **covered auto** to which Comprehensive Coverage under this Policy applies.

11. **Loss** to a **trailer you own** that is not shown on the **Declarations Page**.
12. **Loss** to a **covered auto** due to or as a consequence of:
- a. Destruction, seizure or confiscation by government or civil authorities including, but not limited to, destruction, seizure, or confiscation by any federal or state law enforcement officer in connection with any violation of any controlled substances law for which **you** are convicted; or
 - b. Repossession by any entity acting on behalf of the **owner** of the **covered auto**.
- This exclusion does not apply to the interests of Loss Payees in a **covered auto**.
13. **Loss** to equipment designed or used for the detection or location of radar, laser or other speed measuring equipment or its transmission.
14. **Loss** to wearing apparel or tools.
15. **Loss** to portable equipment, devices, accessories and any other personal effects that are not permanently installed. This includes, but is not limited to:
- a. Tapes, records, compact discs, DVDs or other recording or recorded media;
 - b. Any containers designed to carry or store tapes, records, compact discs, DVDs or other recording or recorded media;
 - c. Personal computers, telephones, DVD players, two-way mobile radios or televisions; or
 - d. Any other accessories used with electronic equipment designed to receive or transmit audio, visual or data signals.
16. Damage due and confined to:
- a. Prior **loss** or damage;
 - b. Manufacturer's defects or faulty materials; and
 - c. **Your** lack of routine and/or proper maintenance as prescribed by the manufacturer.
17. **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**.

18. **Loss** to a **covered auto**:
 - a. Prior to its delivery to **you**; or
 - b. Due to theft prior to its delivery to **you**.
 19. **Loss** resulting from the purchase of a **covered auto** from any person or organization other than the **auto's** rightful **owner**.
 20. **Loss** to a snow plow or any snow removal equipment.
 21. **Loss** to a recreational vehicle, motor home, or travel trailer.
 22. Amounts incurred for:
 - a. Mileage;
 - b. Fuel;
 - c. **Collision** damage waiver;
 - d. Navigation devices;
 - e. Insurance; or
 - f. Tolls.
 23. **Loss** arising out of any liability assumed by **you** or a **family member** under any contract or agreement.
 24. **Loss to your covered auto** caused directly or indirectly by any of the following: (a) water leakage or seepage; (b) wet or dry rot; (c) rust or corrosion; (d) dampness of atmosphere or extremes of temperature; (e) deterioration or disintegration; or (f) delamination unless caused by any other **loss** covered under this Part D.
 25. **Loss** to property that is contained in or struck by a motor vehicle (other than **your covered auto**) owned by **you** or any **family member**.
 26. **Loss** resulting from the use of any **auto** by:
 - a. An excluded driver;
 - b. An **undisclosed operator**; or
 - c. Any person with a revoked or suspended driver's license or permit; or
 - d. A **permissive driver**.
 27. **Loss** caused by explosives, other than the fluids necessary for the operation of a motor vehicle.
 28. **Loss** to any after-market or custom furnishings or equipment in or upon any **auto**, pickup, or van. After-market or custom furnishings or equipment include, but are not limited to:
 - a. Special carpeting, seats, or insulation;
 - b. Running boards, special windows;
 - c. Furniture or bars;
 - d. Control panels or consoles;
 - e. Wood trim;
 - f. Drapes, blinds or shades;
 - g. Television receivers;
 - h. Facilities for cooking and sleeping;
 - i. Height-extending roofs;
 - j. Custom murals, paintings, or other decals or graphics;
 - k. Caps or shells;
 - l. Steering devices; or
 - m. Gauges, dials, and sensors.
- This exclusion does not apply to parts or equipment of the same type and design as those originally installed on the vehicle by the original manufacturer of the vehicle. However, **our** payment of the loss will be the lesser of the cost of the custom equipment and any equivalent equipment provided by the manufacturer.
29. **Loss** to additional equipment. Additional equipment includes, but is not limited to:
 - a. Non-factory installed wheels;
 - b. Special wide-tread tires or slicks;
 - c. Custom paint, striping, murals, decals, or graphics;
 - d. Non-factory-installed sun or moon roofs, T-bar roofs, height extending roofs, or special windows;
 - e. Customized engines;
 - f. Modified suspension;
 - g. Special lighting;
 - h. Winches, plows, utility and/or tool boxes; or
 - i. Any other custom changes which alter the use or appearance of any **covered auto**, excluding any custom parts covered as **customized equipment and parts**.
 30. **Loss** to personal effects or personal property including, but not limited to, clothes, cash, cash equivalent, luggage, tools, tapes, personal electronic devices, compact discs, digital media storage, cellular or satellite telephones, portable refrigeration devices and sports equipment.
 31. **Loss** to any **covered auto** while operated by or otherwise under the physical control of any person other than **you** or any person listed as a driver on the **Declarations Page** whose ability to operate a motor vehicle is at the time impaired by the influence of any illegal or controlled substance as defined by federal law or with a blood alcohol content in excess of that permitted by state law for persons operating a motor vehicle. This exclusion does not apply if the damage occurs during the total theft of that **covered auto**.

32. **Loss** to any **covered auto** or **non-owned auto** due to **diminution in value**.
 33. **Loss** that occurs while the operator of any **covered auto** or **non-owned auto** is texting, keying or typing on any portable electronic device, including but not limited to a mobile phone, tablet, computer or similar device.
 34. **Loss** to a **covered auto** sustained while being operated for recreational or off-road use when the **covered auto** is not specifically designed and recommended for such use by the original manufacturer.
 35. Loss of use for a **temporary substitute auto**.
 36. **Loss** to a **temporary substitute auto** if the company providing the **auto** is not permitted either by state law or the rental agreement to recover for the **loss** from **you** or any **insured** under the policy.
- B. **We** do not provide coverage for **loss** arising out of the **ownership**, maintenance, or use of:
1. Any vehicle that has less than four wheels or which is designed for use mainly off public roads such as any type of all-terrain or quad vehicle, dune buggy, go-cart, or golf cart. This exclusion does not apply to **your trailer**.
 2. A covered auto that:
 - a. Has been rented, leased, subleased, loaned or given by **you** or a **family member** to another party in exchange for money, value, goods, services, compensation or reimbursement;
 - b. Has been given in exchange for compensation;
 - c. Is under a conditional sales agreement by **you** to another; or
 - d. Has been entrusted to anyone other than **you** or a **family member** for consignment; sale; promoting sale; subleasing; leasing; renting; or selling and is no longer in **your** possession.

LIMIT OF LIABILITY

- A. **Our** limit of liability for **loss** shall not exceed the lowest of the:
1. **Actual cash value** of the damaged property at the time of the **accident** or **loss** reduced by:
 - a. The applicable deductible shown on the **Declarations Page**; and
 - b. Its salvage value if **you** or the **owner** retain the salvage;

2. Amount necessary to repair the physical damage to the **auto**, or its parts if the **loss** is limited to parts, to return it to its pre-**loss** physical condition, reduced by the applicable deductible shown on the **Declarations Page**;
 3. Amount necessary to replace the stolen or damaged property, or its parts if the **loss** is limited to parts, reduced by:
 - a. The applicable deductible shown on the **Declarations Page**; and
 - b. Its salvage value if **you** or the **owner** retain the salvage; or
 4. Stated amount shown on the **Declarations Page**, if any.
- B. A deduction for **depreciation** and betterment will be made from the amount **we** will pay for repair or replacement of the damaged or stolen property, or any part thereof, if the repair or replacement results in better property or in a better part with regard to:
1. Its market value;
 2. The useful life of the part; or
 3. The improvement of the condition of the **auto** considering wear and tear and damage that existed prior to the **loss**.
- Our** adjustment to the amount payable by **us** due to betterment or **depreciation** on parts replaced includes, but is not limited to:
1. Batteries;
 2. Tires;
 3. Engines;
 4. Transmissions; and
 5. Any other parts that wear out over time or have a finite useful life or duration typically shorter than the life of the **auto** as a whole. This does not include external crash parts, wheels, windshields, or other glass.
- C. If **you** have declared a stated amount for a specific **auto** shown on the **Declarations Page** that stated amount is the most **we** will pay for **loss** to that **auto**.
- 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**.
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 **accident** to which PART D applies, **we** will pay reasonable charges, as determined by **us**, for transporting and storing a **covered auto** to a repair facility near the location of **loss**. **We** will only pay up to three (3) days of reasonable storage charges incurred arising out of the **loss** and incurred before the claim is reported to **us**. However, in the event of a total **loss** to an **auto** listed on the **Declarations Page**, any storage charges owed will be reduced by the **actual cash value** of the **covered auto**.

J. For a **temporary substitute auto** **we** will apply the same Collision and Comprehensive coverage and deductible that applies to the **covered auto** that the **temporary substitute auto** replaces.

PAYMENT OF LOSS

- A. At **our** option, **we** may pay for the **loss** in money or repair or replace the damaged or stolen property.
- B. **We** may, at **our** expense, return any stolen property to **you** or to the address last known by **us**. If **we** return stolen property, **we** will pay for any direct physical damage to a **covered auto** or 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, the lienholder, or any licensed repair facility.
- 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. **You** may not abandon salvage to **us** and **we** have no duty to preserve salvage.

PERMISSION TO RELEASE VEHICLE

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

NO BENEFIT TO BAILEE

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

OTHER SOURCES OF RECOVERY

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

1. Any coverage provided by the **owner** of the **temporary substitute auto**. However, if **you** or a **family member** are operating a **temporary substitute auto** that is insured under a garage policy issued to a company or person engaged in the business of storing, parking, servicing or repairing **autos** and **you** or any **family member** are not the **owners** of that business or the **temporary substitute auto** then this provision shall not apply and **we** will provide primary coverage under this PART D for that **temporary substitute auto**;
2. Any other applicable physical damage insurance; or
3. Any other source of recovery applicable to the **loss**.

APPRAISAL

- A. If **we** and **you** do not agree on the amount of **loss**, either may demand an appraisal of the **loss**. In this event, each party will select a competent, licensed, and impartial appraiser within fifteen (15) days of the demand for appraisal. The two appraisers will select an umpire. If they are unable to agree upon an umpire within fifteen (15) days, **we** or **you** may request that a judge of a court of record, in the county where **you** live, select an umpire. The appraisers will state separately the **actual cash value** and the amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
1. Pay its chosen appraiser; and
 2. Bear the expenses of the appraisal and umpire equally.
- B. **We** do not waive any of **our** rights under this Policy by agreeing to an appraisal.
- C. Appraisers have authority only to decide the amount of the **loss**. The appraisers have no authority to:
1. Make any coverage decisions under the Policy; or
 2. Award any fees, interest, or costs.

LOSS PAYABLE CLAUSE

- A. Subject to all the terms of this Policy, **loss** or damage shall be paid, as interest may appear, to the **named insured** and/or the loss payee shown on the **Declarations Page** of this Policy, both jointly or separately, at **our** discretion. However, payment to a licensed auto repair facility shall be considered payment to **you** and the loss payee.
- B. The loss payee's interest shall not be invalidated by the intentional act or omission by the **owner** of the **covered auto**. The loss payee's interest will be protected if a **loss** occurs while a **covered auto** is driven by a **permissive driver**.
- C. **We** reserve the right to cancel or nonrenew this Policy as permitted by policy terms and state law. The cancellation or nonrenewal shall terminate this agreement as to the loss payee's interest. If **we** are required by law or regulation to give the loss payee notice of cancellation, **we** will give such notice in accordance to such law or regulation. Any notice provided may be provided electronically. In addition, any continuance of coverage protecting the loss payee's interest shall terminate on the effective date of a policy contract or insurance binder for similar coverage issued by another insurance carrier.
- D. In the event the loss payee makes a claim under this Policy, the loss payee shall be required to abide by all terms and conditions of this Policy applicable to **you** and shall have no greater rights than **you** to receive payment.
- E. When **we** pay the loss payee, **we** shall, to the extent of payment, be subrogated to the loss payee's rights of recovery.
- F. This clause has no effect if the name of the loss payee is not shown on the **Declarations Page**.

GENERAL PROVISIONS

ADDITIONAL DEFINITIONS USED IN THIS SECTION

- A. "**Mail**," "**mailing**" or "**mailed**" means:
1. Delivery by **us** to any of the following:
 - a. United States Postal Service; or
 - b. Public or private mail carrier;
 2. Sent by **us** through electronic transmission, if not prohibited by state law; or
 3. Any other methods allowed by law.
- B. "**Proof of mailing**" means sufficient evidence that a correspondence or notice has been presented to the United States Postal Service for mailing. **Proof of mailing** includes, but is not limited to, any form of certificate of mailing or certificate of bulk mailing issued by the United States Postal Service, including a Certificate of Bulk Mail or any other form allowed by state law.

BANKRUPTCY

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

CONTINUING DUTY TO REPORT CHANGES

- A. This Policy, along with the **Declarations Page** and Application, which are incorporated into and made part of this Policy, and any endorsements issued by **us**, contain all the agreements between **you** and **us**. Its terms may not be changed or waived except in writing by **us**.
- B. The premium for each **covered auto** is based on information **we** have received from **you** or other sources. **You** agree:
1. That if any of this information material to the development of the Policy premium is incorrect, incomplete or changed, **we** may adjust the premium accordingly during the policy period.
 2. To cooperate with **us** in determining if this information is correct and complete.
 3. That **you** have a continuing duty to advise **us** within thirty (30) days of any changes such as the following which **we** consider material to the development of the Policy premium:
 - a. The number or types of **covered autos**;
 - b. The operators using the **autos** insured under **your** Policy (either additions or deletions);
 - c. People **residing** in **your** household;
 - d. **Your** address and/or the principal place where **you** garage any of the **autos** insured under this Policy;
 - e. The use of **autos** insured under **your** Policy;
 - f. **You** or a **family member** obtain a driver's license or operator's permit or have a driver's license revoked, suspended or reinstated; or
 - g. The marital status of **you**, a **family member**, or any **regular operator**.
- C. Any adjustment of **your** premium will be made using **our** rules in effect at the time of the change. Premium adjustments may include, but are not limited to, changes in:
1. **Autos** insured under the Policy;
 2. Use of the **autos** insured under the Policy;
 3. Drivers;
 4. Coverages or coverage limits;
 5. Principal place where **you** garage any of the **autos** insured under this Policy;
 6. Eligibility for discounts or surcharges or other premium credits or debits;
 7. Marital status; or
 8. Other factors permitted by law.
- D. **We** may revise **your** Policy coverages to provide more protection without additional premium charge. If **we** do this and **you** have the coverage which is changed, **your** Policy will automatically provide the additional coverage as of the date the revision is effective in **your** state. This does not apply to changes made with a general program revision that includes both broadening and restrictions in coverage, whether that general program revision is made through introduction of a subsequent edition of **your** Policy or an amendatory endorsement.
- E. If **you** ask **us** to delete an **auto**, no coverage will apply as of the date and time **you** ask **us** to delete such **auto**.
- F. If **we** make a change to this Policy during the policy period that broadens any coverage without an additional premium charge, **you** will have the broadened coverage if that coverage is in effect on the date of change. The effective date of a change will be the date **we** implement that change in the state in which the Policy is written.
- G. Any change that **you** request to be made to this policy will apply only to **accidents** and **losses** that occur on or after the effective date shown on the **declarations page** on which the change is displayed.
- H. A coverage selection, rejection, election or change, or the designation of an excluded driver, whether the signature is written, electronic or by verbal consent, shall be binding upon all persons insured under this policy if made by the **named insured**.

SETTLEMENT OF CLAIMS

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

LEGAL ACTION AGAINST US

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

- C. If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including as evidence for a legal proceeding absent any specific and formal written request to do so.
- D. Any lawsuit against **us** for benefits under any part of this Policy, or any lawsuit filed against **us** by an **insured** following an **accident**, must be commenced within the time period set forth in the bodily injury statute of limitations in the law of the state where the **accident** occurred.

OUR RIGHT TO RECOVER PAYMENT

- A. If **we** make a payment under this Policy and the person to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right. That person shall:
 - 1. Do whatever is necessary to enable **us** to exercise **our** rights;
 - 2. Do nothing after an **accident** or **loss** to prejudice **our** rights;
 - 3. Deliver to **us** any legal papers relating to that recovery;
 - 4. Take the necessary or appropriate action, through a representative designated by **us**, to recover payment as damages from the responsible person or organization. If there is a recovery, then **we** shall be reimbursed out of the recovery for expenses, costs and attorney fees incurred in connection with this recovery; and
 - 5. Execute and deliver to **us** any legal instruments or papers necessary to secure the rights and obligations of the **insured** and **us** as established here.

However, **our** rights under this paragraph A. do not apply under Part D > COVERAGE FOR DAMAGE TO YOUR AUTO against any person using a **covered auto** with the **owner's** express or implied permission.

- B. If **we** make a payment under this Policy and the person to or for whom payment is made recovers damages from another, that person shall:
 - 1. Hold in trust for **us** the proceeds of the recovery; and
 - 2. Reimburse **us** to the extent of **our** payment.
- C. If **we** pursue recovery from a liable party:
 - 1. **You** permit **us** to seek recovery of any deductible that may apply, but **we** have no duty to do so. **We** will notify **you** if **we** do not intend to collect the deductible.
 - 2. **We** reserve the right to compromise or settle the deductible and property damage claims against the responsible parties for less than the full amount. For those sums, **you** agree to be bound by:

- a. A settlement agreement entered into by **us** and the liable party; or
 - b. The outcome of appraisal or arbitration.
- 3. If the total recovery is less than the total of **our** payment and the deductible, **we** will reduce reimbursement of the deductible to **you** based on the proportion that the actual recovery bears to the total of **our** payment and the deductible.
 - 4. Any reimbursement to **you** by **us** will be reduced by a proportionate share of expenses and attorney fees incurred due to the recovery.

- D. If **we** make a payment to, or on behalf of, anyone insured under this Policy which is not covered by this Policy but is compelled by law then, to the extent allowed by law, **you** must reimburse **us** to the full extent of all **loss** or damages paid by **us** and **our** claims adjustment expenses.
- E. **Our** rights under Paragraph A. with respect to coverage under definition 4. of **uninsured motor vehicle** for Uninsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage do not apply to the insurer, owner or operator of such **uninsured motor vehicle** if **we** have been given prompt written notice of a tentative settlement between an **insured** and the insurer, owner or operator of such **uninsured motor vehicle**, and **we**:
 - 1. Consent to a settlement for the full limits of all liability insurance policies or bonds available to the owner or operator of such **uninsured motor vehicle** and **we** agree to arbitrate; or
 - 2. Fail to advance payment to the **insured** in an amount equal to the tentative settlement within 30 days after receipt of written notification required by law:

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

- 1. That payment will be separate from any amount the **insured** is entitled to recover under the provisions of Uninsured Motorists Coverage; and
 - 2. **We** also have a right to recover the advanced payment.
- F. We shall be entitled to recovery only after the person has been fully compensated for damages.

POLICY PERIOD AND TERRITORY

- A. This Policy applies only to **accidents** or **losses** which occur:
 - 1. During the policy period as shown on the **Declarations Page**; and
 - 2. Within the policy territory.
- B. The policy territory is:

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

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

PREMIUM DUE ON POLICIES

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

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

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

POLICY TERMINATION

A. Cancellation

1. This Policy may be cancelled during the policy period as follows:
 - a. **You** may cancel by:
 - i. Returning this Policy to **us**; or
 - ii. Giving **us**, or **our** authorized representative, advance written notice of the date cancellation is to take effect. The effective date of the cancellation shall be either the date **we** receive such notice or the date specified in the notice, whichever is later. **We** may, at **our** option, waive the requirement that the notice state a future date for cancellation and cancel the Policy as of the effective date shown in the notice.
 - b. **We** may cancel this Policy by **mailing** to the first **named insured shown in the Declarations Page** at the address last known by **us** notice of cancellation:
 - i. at least ten (10) days in advance of the cancellation effective date if cancellation is for nonpayment of premium or when the Policy has been in effect for fewer than sixty (60) days.
 - ii. at least twenty (20) days in advance of the cancellation effective date in all other cases.

- c. After this Policy is in effect for sixty (60) days, or if this is a renewal or continuation policy, **we** will cancel only for one or more of the following reasons:
 - i. **you** do not pay the required premium for this Policy when due;
 - ii. **you** failed to fully disclose motor vehicle accidents and/or moving traffic violations for the preceding thirty-six (36) months;
 - iii. **you** failed to disclose in **your** application, or in response to inquiry by **us** or **our** agent, information necessary for the acceptance or proper rating of the risk;
 - iv. if any **insured** violated any of the terms or conditions of the Policy;
 - v. if any **insured** made a false or fraudulent claim or knowingly aided or abetted another in the presentation of a false or fraudulent claim;
 - vi. **you** or any other operator, either resident in the same household, or who customarily operates an automobile insured under the Policy:
 - A. Has had a driver's license or motor vehicle registration suspended or revoked within the thirty-six (36) months prior to notice of cancellation;
 - B. Is or becomes subject to epilepsy or heart attacks, and cannot produce a certificate from a physician testifying to the person's unqualified ability to operate a motor vehicle; or
 - C. Is or has been convicted of or forfeits bail, during the thirty-six (36) months immediately preceding the effective date of the policy or during the policy period, for:
 1. Any felony;
 2. Criminal negligence resulting in death, homicide, or assault, arising out of the operation of a motor vehicle;
 3. Operating a motor vehicle while in an intoxicated condition or while under the influence of drugs;
 4. Leaving the scene of an accident without stopping to report;
 5. Theft of a motor vehicle;

6. Making false statements in an application for a driver license; or
7. A third violation, committed within a period of thirty-six (36) months, of:
 - a. Any ordinance, law or regulation limiting the speed of motor vehicles; or
 - b. Any of the motor vehicle laws of any state, the violation of which constitutes a misdemeanor, whether or not the violations were repetitions of the same offense or were different offenses; or
- vii. if a **covered auto** is:
 - A. Altered so as to increase the risk substantially;
 - B. Used as an authorized emergency vehicle; or
 - C. Subject to an inspection law and has not been inspected or, if inspected, has failed to qualify.

Notice of cancellation will state the reason for cancellation.

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

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

B. Nonrenewal

1. If **we** decide not to renew or continue this Policy, **we** will **mail** notice to the **named insured** at the address last known by **us**. Notice will be **mailed** at least thirty (30) days before the end of the policy period unless:
 - a. **We** have offered to issue a renewal Policy; or
 - b. **You** have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
2. Any notice of nonrenewal will be mailed or delivered to the first **named insured's** and agent's addresses shown in the Policy.

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

C. Automatic Termination

1. If **we** offer to renew or continue **your** Policy and **you** or **your** representative do not accept, this Policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that **you** have not accepted **our** offer.
2. If other insurance is obtained on a **covered auto**, any similar insurance provided by this Policy will terminate as to that **auto** on the effective date of the other insurance.
3. If a **covered auto** is sold or transferred to someone other than **you** or a **family member**, insurance provided by this Policy will terminate as to that **auto** on the effective date of the sale or transfer.
4. Nothing in this POLICY TERMINATION section shall waive **our** rights to void this Policy, if permitted by law.

D. Payment Of Premium

1. If **you** pay **your** initial premium for any new policy by any remittance other than cash, the coverage offered by this Policy is conditioned on that remittance being honored upon presentment by the financial institution. If the remittance is not honored, then **we** shall be deemed not to have accepted the payment and this Policy, if allowed by law, shall be void from inception. If the Policy is void from inception, it will not be subject to the Cancellation provisions of this Policy. This means that **we** will not be liable under this Policy for any claims or damages which would otherwise be covered if the remittance had been honored upon presentment. If **we** are required by law to make any payment after **we** void this Policy, **you** must pay **us** for all expenses incurred and payments made. **Our** right to void this Policy will not be affected if **we** submit the remittance for payment more than once.
2. If **you** make a premium payment for a renewal of **your** Policy using an uncollectible instrument, **our** offer of policy renewal is deemed rejected by **you** and the Policy terminated without renewal. **Our** right to void this Policy will not be affected if **we** submit the remittance for payment more than once.
3. Examples of an uncollectible instrument and payment not being honored upon presentment include, but are not limited to:
 - a. Checks dishonored or refused due to insufficient funds;
 - b. Checks drawn from closed accounts;

- c. Invalid credit cards or credit card charges dishonored or refused by the issuing financial institution; and
 - d. Electronic Funds Transfer (EFT) or Automated Clearing House (ACH) transfers or payments from a financial institution or similar account that are refused, dishonored or rejected.
4. If any of these acts or events occur at initial application or at any time during the policy period, it shall be deemed to be nonpayment of premium.

E. Other Termination Provisions

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

we will comply with those requirements.

- 2. If not prohibited by state law, **we** may deliver any notice electronically or in person instead of **mailing** it.
- 3. **Proof of mailing** of any notice shall be sufficient proof of notice.
- 4. If we cancel or terminate **your** Policy, the premium refund, if any, will be computed on a pro-rata basis. If this Policy is cancelled at the request of a premium finance company that has financed this Policy under a premium finance agreement the premium refund, if any, will be calculated on a pro-rata basis. If the Policy is canceled at **your** request, the refund, if any, will be calculated on a short-rate (90% of pro rata) basis. However, making or offering to make the refund is not a condition of cancellation.

Refunds of less than \$5.00 will be waived unless requested in writing by the **named insured**. All policy fees are fully earned on the effective date of the policy.

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

F. Reinstatement Of Coverage

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

- a. No **accidents** or **losses** against the Policy during the canceled, terminated, nonrenewed, or expired period; and
 - b. All money due on the Policy must be received.
2. If **you** misrepresent **your** eligibility to be reinstated, your reinstatement request shall be void and the Policy will remain canceled, terminated, nonrenewed, or expired.
3. If the Policy is reinstated and the payment received is not honored for any reason, the reinstatement will be voided and the Policy will remain canceled, terminated, nonrenewed or expired.

TRANSFER OF YOUR INTEREST IN THIS POLICY

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

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

MISREPRESENTATION AND FRAUD

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

- 1. Made any false statements or representations to **us** with respect to any material fact or circumstance; or
- 2. Concealed, omitted or misrepresented any material fact or circumstance or engaged in any fraudulent conduct;

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

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

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

This includes, but is not limited to, failing to disclose in the verbal or written Application all persons **residing in your household or regular operators of a covered auto**.

- B. If **we** void this Policy, the Policy will be void from its inception, and **we** will not be liable for any claims or damages that would otherwise be covered.
- C. **We** may cancel this Policy and/or may not provide coverage under this Policy if **you, a family member** or anyone else seeking coverage under this Policy concealed or misrepresented any material fact or circumstance or engaged in fraudulent conduct in connection with the presentation or settlement of a claim. This includes, but is not limited to, misrepresentation concerning a **covered auto** or **your** interest in a **covered auto**.
- D. **We** may, at **our** sole discretion, void or rescind this Policy for fraud or misrepresentation even after the occurrence of an **accident** or **loss**. This means that **we** will not be liable for any claims or damages which would otherwise be covered.
- E. If **we** make a payment under this Policy for a **loss** or **accident to you** or to a person seeking coverage under this Policy which **we** later discover was obtained through fraud, concealment or misrepresentation by **you** or the person seeking coverage under this Policy, **we** reserve the right, at **our** sole discretion, to recover such payment made or incurred.

UNPAID PREMIUM AND FEES

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

TWO OR MORE AUTO POLICIES

If this Policy and any other **auto** policy issued to **you** by **us** apply to the same **accident** or **loss**, the total limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

TERMS OF POLICY CONFORM TO STATUTE

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

JOINT AND INDIVIDUAL INTERESTS

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

ELECTRONIC SIGNATURE

- A. **You** and **we** agree that electronic signatures may be used and will satisfy any regulatory or other requirement for written signatures. When a law requires:
 - 1. A signature on any form or document; or
 - 2. A letter or document to be notarized, verified, acknowledged, or made under oath;the electronic signatures will satisfy this requirement if the signature of the person authorized to perform the service of notarizing, verification, or acknowledgment is attached or logically associated with the signature or electronic signatures of record.
- 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.

CHOICE OF LAW

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

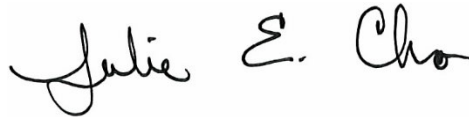
MEXICO - COVERAGE EXCLUSION WARNING

- A. **Accidents** in Mexico are subject to the laws of Mexico, not the laws of the United States. Under Mexican law, **accidents** are considered a criminal offense as well as a civil matter.
- B. This policy does NOT provide coverage for any claim arising from an **accident** or **loss** involving a **covered auto** or an **auto you do not own** while in Mexico. To avoid complications, **you** should purchase insurance from an insurance company licensed to provide automobile insurance in Mexico.

In witness whereof, we, as officers of the Company, have caused this 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.

A handwritten signature in black ink, appearing to read 'Peter Rendall'.

Peter Rendall
President

A handwritten signature in black ink, appearing to read 'Julie E. Cho'.

Julie E. Cho
Secretary