

# California Personal Automobile Policy

NATIONAL  
GENERAL<sup>®</sup>  
an **Allstate**<sup>®</sup> company

10954NG (01012022)

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

Integon Preferred Insurance Company

CAIP400 (03012006)

**INTEGON PREFERRED INSURANCE COMPANY**

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

**This policy is a legal contract between you and us. These policy provisions with the Declarations page, applications and endorsements, if any, issued to form a part thereof, complete this policy.**

**IMPORTANT: Please read your California Personal Auto Policy carefully as it contains language which may restrict or exclude coverage. The policy specifically addresses who may use your vehicle and under what conditions coverage will be afforded.**

**NOTICE: For your protection, California law requires the following to appear on this form.**

**“Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.”**

**READ YOUR POLICY CAREFULLY  
To Report A Claim  
1-800-468-3466**

**CALIFORNIA NOTICE TO INSURED**

**If you are unable to satisfactorily resolve a problem after contacting your agent or our customer service representatives, you may want to notify the Department of Insurance,**

**Consumer Services Division  
300 S. Spring Street  
Los Angeles, CA 90013 or call  
1-800-927-HELP  
[www.insurance.ca.gov](http://www.insurance.ca.gov)**

**Integon National Insurance Company  
Integon Preferred Insurance Company  
P. O. Box 3199  
Winston-Salem, NC 27102-3199  
1-800-526-0332**

**YOUR PERSONAL AUTO POLICY**

**QUICK REFERENCE**

**DECLARATIONS PAGE**

Your Name and Address

Your Auto or Trailer

Policy Period

Coverages and Amounts of Insurance

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## PERSONAL AUTOMOBILE POLICY

### AGREEMENT

This policy is issued and renewed in reliance upon the truth and accuracy of the representations made in the application for this insurance. The terms of this policy impose obligations on all persons defined as **“you.”** The responsibilities, acts and/or omissions, in connection with this insurance, of any person defined as **“you”** shall be binding upon all other persons defined as **“you.”**

In return for payment of the premium and subject to all the terms of this policy, **we** agree with **you** as follows:

### DEFINITIONS

Throughout this policy, **“you”** and **“your”** refer to:

1. The person shown as the named insured in the Declarations Page; and
2. That person’s spouse if a resident of the same household.
3. An individual who is a resident of the **“named insured’s”** household and who co-owns one or more vehicles insured under this policy with the **“named insured”** or resident spouse.

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

The following words or phrases, when printed in bold-faced type or in quotation marks, are defined as follows:

**“Accident”** means: a sudden, unexpected and unintended occurrence.

**“Actual Cash Value”** means: the amount it would cost to replace the stolen or damaged property with property of like kind and quality. In the event replacement property of like kind and quality is unavailable, allowances can be made for the difference in value between the replacement and damaged property.

**“Auto”** means: a land motor vehicle:

1. Of the private passenger, pickup body, sedan delivery or panel truck type;
2. Having more than three load-bearing wheels;
3. Designed primarily for operation upon the public streets, roads and highways.
4. Driven by power other than muscular power;
5. With a gross vehicle weight of 10,000 pounds or less.

**“Bodily injury”** means: bodily harm, sickness or disease, including death that results therefrom.

**“Business”** means: trade, profession or occupation, other than farming or ranching.

**“Depreciation”** means: decline of value due to wear and tear or obsolescence.

**“Family member”** means: a person related to **you** by blood, marriage or adoption who is a resident in the same household. This includes a ward, stepchild, or foster child.

**“Loss”** means: sudden, direct, and accidental loss or damage.

**“Non-owned auto”** means: any **auto** that is not **owned** by, furnished or available for the regular use of **you**, any **family member** or the spouse of the named insured even if not residing in the same household as the named insured while in the custody of or being operated by **you** or any **family member**. However, **non owned auto** does not include any **auto** used as a temporary substitute for an **auto you** own which is out of normal use because of its breakdown, repair, servicing, loss or destruction. This definition of **non-owned auto** does not apply to Part D - Coverage for Damage to Your Auto. **Non-owned auto** is redefined in that section.

**“Occupying”** means: in; upon; getting into, out of, on or off.

**“Owned”** means the person:

1. Holds title to the **auto**;
2. Has legal possession of the **auto** which is subject to a written security agreement with an original term of six (6) months or more; or
3. Has legal possession of the **auto** which is leased to that person under a written agreement for a continuous period of six (6) months or more.

**“Owner”** means any person who, with respect to an **auto**:

1. Holds legal title to the **auto**;
2. Has legal possession of the **auto** that is subject to a written security agreement with an original term of six (6) months or more; or
3. Has legal possession of the **auto** that is leased to that person under a written agreement for a continuous period of six (6) months or more.

**“Property damage”** means: physical injury to, destruction of, or loss of use of tangible property.

**“Trailer”** means: a nonpower vehicle designed to be towed on public roads by an **auto**. It includes a farm wagon or farm implement while being towed by an **auto**. It does not include a mobile home, or a trailer used as an office, store, display or passenger conveyance.

**“Your covered auto”** means

1. Any **auto** shown on the Declarations Page.

2. Any of the following types of vehicles on the date **you** become the **owner**, but only if **you** have asked **us** to insure it as set forth below:
- a) a private passenger **auto** or station wagon; or
  - b) a pickup truck or private passenger van that:
    - (1) is not used for the delivery or transportation of goods and materials unless such use is:
      - a) incidental to **your business** of installing, maintaining or repairing furnishings or equipment; or
      - b) for farming or ranching; and
    - (2) has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds.

If the **auto you** acquire replaces one shown in the Declarations, it will have the same coverage as the **auto** it replaced, if **you**:

- a) become the **owner** of the **auto** during the policy period; and
- b) ask **us** to insure it within 30 days after **you** become the **owner**; and
- c) no other insurance policy provides coverage for the **auto**.

If the **auto you** acquire is in addition to any shown in the Declarations, it will have the broadest coverage **we** now provide for any **auto** shown in the Declarations, if **you**:

- a) become the **owner** of the **auto** during the policy period; and
- b) ask **us** to insure it within 30 days after **you** become the **owner**;
- c) **we** insure all **autos** that **you** own; and
- d) no other insurance policy provides coverage for the **auto**.

If **you** do not notify **us** within the time limit noted above, no coverage exists for the newly acquired **auto** or replacement **auto**.

- 3. Any trailer **you** own, while being pulled by **your covered auto**.
- 4. Any **auto** or **trailer** not **owned** by **you** while used as a temporary substitute for any other **auto** described in this definition which is out of normal use because of its:
  - a) breakdown;      d) loss; or
  - b) repair;          e) destruction.
  - c) servicing;

However, this definition of "**your covered auto**" does not apply to Part D - Coverage for Damage to Your Auto; "**your covered auto**" is defined separately in Part D - Coverage for Damage to Your Auto.

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## PART A LIABILITY COVERAGE

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### INSURING AGREEMENT

**We** will pay damages, except punitive or exemplary damages or prejudgment interest, for **bodily injury** or **property damage** for which any **insured** becomes legally responsible because of an **accident** arising out of the ownership, maintenance, or use of an **auto**. **We** will settle or defend, as **we** consider appropriate, any claim or suit asking for these damages. In addition to **our** limit of liability, **we** will pay all defense costs **we** incur. **Our** duty to settle or defend ends when **we** offer to pay and pay **our** limit for this coverage. **We** have no duty to defend any suit, settle any claim or pay any judgment for **bodily injury** or **property damage** not covered under this policy. Bodily Injury Liability Coverage applies only on those covered **autos** for which Bodily Injury Liability Coverage is noted on the Declarations and for which a specific limit and premium is specified.

"**Insured**" as used in Part A means:

1. **You** or any **family member** with respect to an **accident** arising out of the ownership, maintenance or use of any **auto** with the **owner's** permission.
2. Any person, with respect to an **accident** arising out of that person's use of **your covered auto** with the express or implied permission of **you** or a **family member**.
3. For **your covered auto**, any person or organization other than 1. and 2. above but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part A.
4. For any **auto** or **trailer**, other than **your covered auto**, any person or organization other than 1. and 2. above but only with respect to legal responsibility for acts or omissions of **you** or any **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** or **trailer**.

### SUPPLEMENTARY PAYMENTS

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

1. Up to \$100 for the cost of bail bonds required because of traffic law violations resulting from an **auto accident** that results in **bodily injury** or **property damage** covered under this policy.
2. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend and **we** choose to appeal.
3. For damages covered under this policy, interest accruing after a judgment is entered in any suit **we** defend. **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.
4. Other reasonable expenses incurred at **our** request.

5. Reasonable loss of wages, up to \$50 per day, but not other income, because of attendance at hearings or trials at **our** request.
6. Reasonable expenses for emergency first aid **you** administer to others at the scene of an **accident** involving any **auto** covered by this policy, up to \$50.

## EXCLUSIONS

- A. Coverage under this Part A, including our duty to defend, does not apply to:
  1. **Bodily injury** or **property damage** caused by an intentional act of an **insured** or at the direction of an **insured**.
  2. **Property damage** to property **owned** or being transported by an **insured**.
  3. **Property damage** to property:
    - a) rented to;
    - b) used by; or
    - c) in the care custody, control of; an **insured**. This exclusion does not apply to a rented residence or rented garage.
  4. **Bodily injury** to an employee or fellow employee of an **insured** person arising out of or within the course of employment. This exclusion does not apply to **bodily injury** to a domestic employee unless workers' compensation, disability benefits, or similar laws are required or available for that domestic employee.
  5. Liability arising out of the ownership or operation of an **auto** while it is being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, pizza, or any other product. This exclusion does not apply to a share-the-expense car pool.
  6. Any person while employed or otherwise engaged in the **business** of:
 

a) selling;	e) parking;
b) repairing;	f) road testing;
c) servicing;	g) delivering; or
d) storing;	h) leasing

vehicles designed for use mainly on public highways.
  7. Maintaining or using any **auto** while that person is employed or otherwise engaged in any **business** (other than farming or ranching) not described in Exclusions 5 and 6. If a **business** use surcharge is noted on the Declarations for an **auto** shown on the Declarations, 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**.
8. Any person using an **auto** without or beyond the scope of the **owner's** express or implied permission.
  9. **Bodily injury** or **property damage** for which any person:
    - 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:

    1. Nuclear Energy Liability Insurance Association;
    2. Mutual Atomic Energy Liability Underwriters; or
    3. Nuclear Insurance Association of Canada.
  10. **Bodily injury** or **property damage** arising out of any person's liability for the ownership, maintenance or operation of **your covered auto** when it:
    - a) is being rented or leased to others; or
    - b) has been sold to another; or
    - c) is under a conditional sales agreement by **you** to another.
  11. **Bodily injury** or **property damage** arising out of the operation of farm or ranch machinery.
  12. **Bodily injury** or **property damage** arising out of the ownership or maintenance of an **auto** while it is being operated in or while in practice or preparation for any race event, hill climb, demonstration, speed contest or performance contest regardless of whether such event is prearranged or organized.
  13. **Bodily injury** or **property damage** arising out of any liability assumed by an **insured** under any contract or agreement.
  14. **Bodily injury** or **property damage** for which the United States Government is held responsible under the Federal Tort Claims Act.
  15. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of an **auto** while it is being used as a residence or premises.

16. **Bodily injury** resulting from the discharge of any firearm or weapon in connection with the ownership, maintenance or use of any **auto**.
17. **Bodily injury** to **you** or a **family member**.
18. **Bodily injury** or **property damage** while **you** or any **family member** is **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 **you** or the **family member** is a willing participant in such activity listed in a) or b) above.

19. **Bodily injury** or **property damage** arising out of the ownership, maintenance, or use of:
  - a) a motorcycle or any motorized vehicle having fewer than four wheels or more than six wheels; or
  - b) an all-terrain vehicle regardless of the number of wheels it has; or
  - c) any self-propelled vehicle not licensed for use on public roads; or
  - d) any vehicle weighing in excess of 10,000 pounds.
20. **Bodily injury** or **property damage** resulting while **your covered auto** is being used, operated or driven by an individual who **you** or the **family member** know or have reason to know:
  - a) is under the minimum age to obtain a driver's license; or
  - b) does not have a valid driver's license or learners permit; or
  - c) has a suspended driver's license; or
  - d) has a revoked driver's license.

21. For **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, including 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.

B. **We** do not provide Liability Coverage for the ownership, maintenance or use of:

1. Any **auto**, other than **your covered auto**, which is
  - a) owned by you; or
  - b) furnished or available for your regular use.
2. Any **auto**, other than **your covered auto**, which is:
  - a) **owned** by any **family member**; or
  - b) furnished or available for the regular use of any **family member**.

#### LIMIT OF LIABILITY

The limit of liability shown on the Declarations Page for each person for Bodily Injury Liability Coverage is **our** maximum limit of liability for all damages for **bodily injury**, sustained by any one person in any one **auto accident**. This includes all derivative claims arising out of said **bodily injury** which includes, but is not limited to, damages for care, loss of service or death, loss of consortium, loss of society or companionship. Subject to this limit for each person, the limit of liability shown in the Declarations Page for each **accident** for Bodily Injury Liability Coverage is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one **auto accident**. The limit of liability shown in the Declarations Page for each **accident** for Property Damage Liability Coverage is **our** maximum limit of liability for all damages to all property resulting from any one **auto accident**. This is the most **we** will pay under Bodily Injury Liability Coverage or Property Damage Liability Coverage, whichever is applicable, as a result of any one **auto accident** regardless of the number of:

1. **Insureds**;
2. Claims made;
3. **Autos** or premiums shown in the Declarations Page;
4. **Autos** involved in the **auto accident**;
5. Premiums paid; or
6. Lawsuits brought.

Any amount payable under this coverage to or for an injured person will be reduced by any payment made to that person under Part B - Medical Payments Coverage and Part C - Uninsured/Underinsured Motorists Coverage of this policy.

#### OUT OF STATE COVERAGE

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

If the state or providence has:

1. A financial responsibility or similar law specifying limits of liability for **bodily injury** or **property damage** higher than the limit shown in the Declarations, **your** policy will provide the higher specified limit, 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, **your** policy will provide at least the required minimum amounts and types of coverage.

### FINANCIAL RESPONSIBILITY REQUIRED

When this policy is certified as proof of financial responsibility, this policy will comply with the law to the extent required. **You** must reimburse **us** if **we** make a payment that **we** would not have made if this policy was not certified as proof of financial responsibility.

### OTHER INSURANCE

If there is other applicable liability insurance, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** limit bears to the total of all applicable limits. However, any insurance **we** provide for an **auto you** do not own shall be excess over any other collectible insurance.

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## PART B MEDICAL PAYMENTS COVERAGE

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### INSURING AGREEMENT

Subject to the limit of liability shown in the Declarations, if **you** pay a premium for medical payments coverage, **we** will pay reasonable expenses incurred for necessary medical and funeral services because of **bodily injury**:

1. Caused by an auto accident, and
2. Sustained by an insured.

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

“**Insured**” as used in Part B means:

1. **You** or any **family member**:
  - a) while **occupying your covered auto** or a **non-owned auto**.
  - b) as a pedestrian when struck by an **auto** designed for use mainly on public roads or a **trailer** of any type.
2. Any other person while **occupying your covered auto** when **your covered auto** is being used within the scope of the named insured’s permission.

### EXCLUSIONS

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

1. Arising out of the ownership or operation of an **auto** while it is being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, pizza, or any other product. This exclusion does not apply to a share-the-expense car pool.
2. Sustained while **occupying any auto** located for use as a residence or premises.

3. Occurring during the course of employment if workers’ compensation benefits are required or available for the **bodily injury**.
4. Sustained while **occupying any auto** (other than **your covered auto**) which is:
  - a) **owned by you**; or
  - b) furnished or available for **your** regular use.
5. Sustained while occupying any auto (other than your covered auto) which is:
  - a) **owned by any family member**; or
  - b) furnished or available for the regular use of any **family member**.

However, this Exclusion 5. does not apply to **you**.

6. Sustained while **occupying any auto** being used without or beyond the scope of the owner’s express or implied permission.
7. Resulting from the maintenance or use of any **auto** not owned by, or furnished for the regular use of, **you** or any **family member**, while that person is engaged in the business of:
  - a) selling;
  - b) repairing;
  - c) servicing;
  - d) storing;
  - e) parking;
  - f) delivering;
  - g) road testing; or
  - h) leasing

vehicles designed for use mainly on public highways.

8. Resulting from the maintenance or use of any **auto** not **owned** by, or furnished for the regular use of, **you** or any **family member** while that person is employed or otherwise engaged in any **business** not described in Exclusion 7. If a **business** use surcharge is noted in the Declarations for an **auto** shown in the Declarations, this exclusion does not apply:
  - a) to **you** or any **family member**; or
  - b) if the **bodily injury** results from the operation of a private passenger **auto** or **trailer** by **you**.
9. Caused by or as a consequence of:
  - a) war (declared or undeclared);
  - b) civil war;
  - c) insurrection;
  - d) rebellion or revolution;
  - e) radioactive contamination; or
  - f) nuclear reaction or radiation, whether controlled or uncontrolled or however caused.

10. Sustained while **occupying**:
- a motorcycle or any motorized vehicle having fewer than four wheels or more than six; or
  - an all-terrain vehicle regardless of the number of wheels it has; or
  - any self-propelled vehicle not licensed for use on public roads; or
  - any vehicle weighing in excess of 10,000 pounds.
11. Sustained while **you** are or any **family member** is **occupying** any **auto**:
- being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
  - used or operated in an attempt to flee a law enforcement agent;
- and **you** or the **family member** are a willing participant in such activity listed in a) and b) above.
12. Resulting while **you** or any **family member** are **occupying** any **auto** being used, operated or driven, by an individual who **you** or the **family member** know or have reason to know:
- is under the minimum age to obtain a driver's license; or
  - does not have a valid driver's license or learner's permit; or
  - has a suspended driver's license; or
  - has a revoked driver's license.
13. Resulting from ownership, maintenance or use of an **auto** while it is being operated in or while in practice or preparation for any race, hill climb, demonstration, speed contest or performance contest regardless of whether such event is prearranged or organized.
14. For whom the United States Government or any of its military services are required to provide similar services and/or benefits.
15. Sustained by any person while a pedestrian, other than **you** or a **family member**.
16. Arising out of or resulting from, in whole or in part, any actual, alleged, or threatened migration, release, existence, or presence of or actual, alleged, or threatened exposure to mold, mildew, fungus or other microbes, including 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.

## LIMIT OF LIABILITY

The limit of liability shown in the Declarations for this coverage is **our** maximum limit of liability for each person injured in any one **accident** regardless of the number of:

1. Claims made;
2. **Autos** or premiums shown in the Declarations;
3. **Autos** involved in the **auto accident**;
4. **Insureds**;
5. Lawsuits brought; or
6. Premiums paid.

Any amounts otherwise payable for expenses under this coverage shall be reduced by any amounts paid or payable for the same expenses under any Auto Liability, Personal Injury Protection Coverage or Uninsured/Underinsured Motorists Coverage provided by any policy.

## OTHER INSURANCE

If there is other applicable **auto** medical payments insurance, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide with respect to an **auto you** do not own shall be excess over any other **auto** insurance providing payments for medical or funeral expenses. Further, any coverage afforded under this Part B shall be excess over any other Medical Payments or workers' compensation benefits required by California law.

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## PART C UNINSURED/UNDERINSURED MOTORISTS COVERAGE

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### INSURING AGREEMENT

**We** will pay damages, except punitive or exemplary damages, or prejudgment interest, which an **insured** is legally entitled to recover from the **owner** or operator of an **uninsured** or **underinsured motor vehicle** because of **bodily injury** or **property damage**:

1. Sustained by an **insured**; and
2. Caused by an **auto accident**.

However, **we** will not pay **property damages** to **your covered auto** which an **insured** is legally entitled to recover from the **owner** or operator of an **underinsured motor vehicle**.

The **owner's** or operator's liability for these damages must arise out of the ownership, maintenance, or use of an **uninsured** or **underinsured motor vehicle**.

**We** will pay under this coverage only after the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements, and proof of payment is submitted to **us**.

However, if **you** have purchased Coverage D - Coverage for Damage to Your Auto and Coverage C - Uninsured/Underinsured Motorists Coverage, **we** will pay for **property damage to your covered auto** which an **insured** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** as follows: Part D - Coverage for Damage to Your Auto shall pay for the covered **loss** and Part C - Uninsured/Underinsured Motorist Coverage shall only pay the amount of **your** deductible under Part D not to exceed three thousand five hundred dollars (\$3,500).

Any judgment for damages arising out of a lawsuit is not binding on **us** unless **we** have consented in writing to the filing of the lawsuit.

## DEFINITIONS

1. **You** and **Your** as used in this Part C means: the **named insured** shown in the Declarations and spouse.
2. **“Insured”** as used in this Part C means:
  - a. **you** or **any family member**.
  - b. anyone who operates **your covered auto** within the scope of the **owner’s** express or implied permission.
  - c. a guest **occupying your covered auto** when it is operated by **you** or one who operates **your covered auto** within the scope of the **owner’s** express or implied permission.
  - d. any personal representative for damages that person is legally entitled to recover because of **bodily injury** to which this coverage applies sustained by a person listed in a., b. or c. above.
3. **“Motor Vehicle”** as used in this Part C means a land **motor vehicle** or a utility **trailer** but does not mean:
  - a. a vehicle or any equipment designed or modified for use primarily off public roads, while not on public roads; or
  - b. a vehicle located for use as a residence or premises.
4. **“Your Covered Auto”** as used in this Part C means **your covered auto**, as defined in the “Definitions” section of **your** Policy, but only if that **auto** is **owned** by **you**.
5. A) With respect to **bodily injury**, **“uninsured motor vehicle”** means a **motor vehicle** which is:
  - i. not insured by a **bodily injury** liability bond or policy at the time of the **accident**;
  - ii. insured by a **bodily injury** bond or policy at the time of the **accident** but the company denies coverage or is or becomes insolvent;

- iii. a “hit-and-run vehicle” whose operator or **owner** is unknown and which strikes an **insured** or an **auto** which the **insured** is **occupying**. The **insured** or someone on his or her behalf must report the **accident** to the police within 24 hours after the **accident**. Each person making a claim under this Part C must give **us** full details of his or her injuries and treatment.

However, **“uninsured motor vehicle”** does not mean a vehicle or equipment:

- i. **owned** or operated by **you** or a **family member**;
  - ii. **owned** by or operated by a self-insurer as contemplated by any financial responsibility law;
  - iii. **owned** by a government unit or agency.
  - iv. Owned by **you** or any **family member** unless the vehicle is being operated, or caused to be operated, by a person without the consent of the owner of such vehicle in connection with criminal activity that has been documented in a police report.
- B) With respect to **property damage to your covered auto**, **“uninsured motor vehicle”** means a **motor vehicle** which is:
- i. not insured by a **property damage** liability bond or policy at the time of the **accident**; or
  - ii. insured by a **property damage** liability bond or policy at the time of the **accident** but the company denies coverage or is or becomes insolvent;

provided there is direct physical contact between **your covered auto** and the **uninsured motor vehicle** and the **owner** or operator of the **uninsured motor vehicle** is identified or the **uninsured motor vehicle** is identified by its license number, provided further that **you** or someone on **your** behalf shall have reported the **accident** within ten (10) business days to **us**.

However, **“uninsured motor vehicle”** does not mean a vehicle:

- i. **owned** or operated by an **insured** person or a **family member**;
- ii. **owned** by or operated by a self-insurer as contemplated by any financial responsibility law;
- iii. **owned** by a governmental unit or agency;
- iv. a **motor vehicle** which has at least the minimum **property damage** liability limits required by law even when such **property damage** or liability limits are not sufficient to compensate for all **property damage** caused by the **owner** or operator of the vehicle.

6. “**Underinsured Motor Vehicle**” means a **motor vehicle** that is an **insured motor vehicle** but for which the sum of the limits of liability under all liability bonds, insurance policies, and cash deposits applicable at the time of the **accident** is less than the applicable limits of liability for **underinsured motorists coverage** listed on the Declarations Page for **your covered auto** which is involved in this **accident**.

However, “**underinsured motor vehicle**” does not mean a vehicle:

- i. **owned** by or operated by **you** or a resident of **your** household;
  - ii. **owned** by or operated by a self-insurer as contemplated by any financial responsibility law; or
  - iii. **owned** by a government unit or agency.
7. “**Insured Motor Vehicle**” is a **motor vehicle** that is insured under a **motor vehicle** liability insurance policy, automobile liability insurance policy, self-insurer, or for which a cash deposit or bond has been posted to satisfy a financial responsibility law.

## EXCLUSIONS

This coverage does not apply:

1. To **bodily injury** sustained by a person while **occupying** an **auto owned** by **you** or a **family member** for which insurance is not afforded under Part A- Liability Coverage, or through being struck by that **auto**.  
  
However, this Exclusion (1.) shall not apply to **bodily injury** sustained by an **insured** when struck by any **motor vehicle** owned by that **insured** and being operated, or caused to be operated, by a person without that **insured’s** consent in connection with criminal activity that has been documented in a police report and that **insured** is not a party to the criminal activity.
2. To **bodily injury** sustained by a person if that person or the legal representative of that person makes a settlement or prosecutes any action to judgment without **our** written consent.
3. To **bodily injury** arising out of the ownership or operation of an **auto** while it is being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, pizza, or any other product. This exclusion does not apply to a share-the-expense car pool.
4. To a claim for loss of use of **your covered auto**.
5. To **loss** or damage to personal property contained within **your covered auto**.

6. For the benefit of any insurer or self-insurer under any workers’ compensation disability benefits, or other similar law of the United States of America or any state or any political subdivision thereof.
7. To **accidents** occurring outside any state, territory, or possession of the United States and any province or territory of Canada, or while an **auto** is being transported between their ports.
8. For the benefit of the United States or any of its military services or agencies.
9. To **bodily injury** sustained while using or **occupying** any **auto** without the express or implied permission of the **owner**.

## LIMIT OF LIABILITY

- A. With respect to **bodily injury**, regardless of the number of **your covered autos**, separate premiums paid, **insureds**, claims made, vehicles involved, or lawsuits brought, **we** will pay the limits of liability shown in the Declarations subject to the following:
1. the limit for “each person” is the maximum **we** shall pay for **bodily injury** sustained by any one person in any one **accident**, and includes all derivative claims which include but are not limited to loss of society, loss of companionship, loss of services, and loss of consortium;
  2. subject to the **bodily injury** limit for “each person,” the limit for “each **accident**” is the maximum **we** shall pay for **bodily injury** sustained by two or more persons in any one **accident** and includes all derivative claims which include but are not limited to loss of society, loss of companionship, loss of services, and loss of consortium.

Any amounts payable under this Part C shall be reduced by all sums:

1. paid or payable for or on behalf of any persons or organizations who may be legally responsible, including but not limited to, all sums paid under Part A - Liability Coverage;
2. paid or payable under Part B - Medical Payments;
3. paid or payable under any valid and collectible automobile medical payment coverage, personal injury protection coverage,
4. paid and the present value of all amounts payable to or on behalf of the insured, his or her executor, administrator, heirs, or legal representative under any workers’ compensation law, exclusive of nonoccupational disability benefits.

In no event shall the limit of liability for two or more motor vehicles or two or more policies be added together, combined or stacked to determine the limit of insurance coverage available to an **insured**.

- B. With respect to **property damage**, the limit of liability is \$3,500 for **loss** or damage to **your covered auto**.

Any amount payable for **property damage** under this Part C - Uninsured/Underinsured Motorists Coverage shall be reduced by all sums paid or payable by the **owner** or operator of an **uninsured motor vehicle** or by any organization or other person which may be jointly or severally liable for such damages.

If **you** have purchased Coverage D - Collision, **we** will not pay damages for **property damage** to **your covered auto** under this Part, but **your** Coverage D - Collision Deductible shall apply only to the extent that it exceeds the lesser of the damages to which **you** are legally entitled, or \$3,500.

#### OTHER INSURANCE

If there is other applicable uninsured or underinsured motorists coverage, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all available limits. Any insurance **we** provide shall be excess over any other uninsured or underinsured motorists coverage, except for **bodily injury** to **you** or a **family member** when **occupying your covered auto**.

**We** will not pay for any damages which would duplicate any payment made for damages under other insurance.

If any **insured** person is injured as a result of an **auto accident** while not **occupying a motor vehicle**, the coverage provided under this policy shall be excess to any uninsured or underinsured motorists coverage provided by a policy under which that insured person is a named **insured**. If **you** are injured as a result of an **auto accident** while not **occupying a motor vehicle**, and are also a named insured under any other policy, **our** coverage will pay the proportionate share that **our** limits bear to the total available uninsured or underinsured motorists coverage limits.

#### TRUST AGREEMENT

If **we** pay an **insured** under this Part C - Uninsured/Underinsured Motorists Coverage:

1. **We** are entitled to recover from the **insured** an amount equal to such payment if there is a legal settlement made in his or her behalf against the person or organization legally responsible for the **bodily injury** and/or **property damage**;
2. The **insured** must hold in trust for **us** all rights to recover money which the **insured** has against the person or organization legally responsible for **bodily injury** and/or **property damage**;
3. The **insured** must do everything proper to secure **our** rights of recovery and do nothing to prejudice these rights; and

4. If **we** ask the **insured** in writing, the **insured** shall take necessary or appropriate action, through a representative designated by **us**, to recover payment as damages from the responsible person or organization. If there is a recovery, then **we** shall be reimbursed out of the recovery for expenses, costs and attorney's fees incurred in connection with this recovery;
5. The **insured** must 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.

#### ARBITRATION

If **we** and an **insured** disagree (1) whether the **insured** is legally entitled to recover damages from the **owner** or operator of an **uninsured** or **underinsured motor vehicle**; or (2) as to the amount the **insured** is legally entitled to recover from the **owner** or operator of an **uninsured** or **underinsured motor vehicle**, then either party may propose arbitration. Both **we** and the **insured** must agree to arbitration.

The arbitration shall be conducted by a single neutral arbitrator. In the event an arbitrator cannot be agreed upon, a judge of a court having jurisdiction will appoint the arbitrator.

In the event arbitration is agreed upon, the costs of the arbitrator will be shared equally by **us** and the **insured**. All other expenses will be paid by the party which incurs the expense.

The arbitration will take place in the county where the **insured** lives unless both parties agree otherwise. Local court rules of procedure and evidence will apply. The arbitrator shall have no authority to award an amount in excess of the limit of liability. The decision of the arbitrator is binding only if the amount does not exceed the minimum limit of **bodily injury** liability coverage specified by the financial responsibility laws of the state listed on **your** application as **your** residence. Either party may demand the right to trial if in disagreement with the decision of the arbitrator. This demand must be made in writing within sixty (60) days of the arbitrator's decision. If this demand is not made, the amount of damages awarded by the arbitrator will be binding.

Pursuant to section 11580.26 of the California Insurance Code, arbitration proceedings for uninsured motorist **property damage** coverage shall be instituted within one (1) year from the date of the **accident**.

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## PART D COVERAGE FOR DAMAGE TO YOUR AUTO

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#### INSURING AGREEMENT - COLLISION

If **you** pay a premium for Collision coverage, **we** will pay for direct and accidental **loss** to **your covered auto** or a **non-owned auto** when it collides with another object or overturns, subject to the Limit of Liability.

## INSURING AGREEMENT - OTHER THAN COLLISION

If **you** pay a premium for Other Than Collision Coverage, **we** will pay for **loss** to **your covered auto**, subject to the Limit of Liability.

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

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

**Loss** caused by the following is considered **other than collision**:

1. Missiles or falling objects;
2. Fire;
3. Theft or larceny;
4. Explosion or earthquake;
5. Windstorm, hail, water or flood;
6. Malicious mischief or vandalism;
7. Riot or civil commotion;
8. Contact with bird or animal; or
9. Breakage of glass, except as a result of **collision**.

“**Your covered auto**” as used in this Part means:

1. Any **auto** shown in the Declarations Page.
2. Any of the following types of vehicles on the date **you** became the owner, but only if **you** have asked **us** to insure it as set forth below:
  - a) a private passenger **auto** or station wagon; or
  - b) a pickup truck or private passenger van that:
    - (1) is not used for the delivery or transportation of goods and materials unless such use is:
      - a) incidental to **your business** of installing, maintaining or repairing furnishings or equipment; or
      - b) for farming or ranching; and
    - (2) has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds.

If the auto you acquire replaces one shown in the Declarations, it will have the same coverage as the auto it replaced, if you:

- a) become the **owner** of the **auto** during the policy period; and
- b) ask us to insure it within 30 days after **you** become the **owner**; and
- c) no other insurance policy provides coverage for the **auto**.

If the **auto you** acquire is in addition to any shown in the Declarations, it will have the broadest coverage

**we** now provide for any **auto** shown in the Declarations, if **you**:

- a) become the **owner** of the **auto** during the policy period; and
- b) ask **us** to insure it within 30 days after **you** become the **owner**; and
- c) **we** insure all **autos** that **you** own; and
- d) no other insurance policy provides coverage for the **auto**.

If **you** do not notify **us** within the time limits noted above, no coverage exists for the newly acquired **auto** or the replacement **auto**.

“**Non-owned auto**” as used in this Part means: any auto while used by you or a family member:

1. As a temporary substitute for **your covered auto** which is out of normal use because of its breakdown, repair, servicing, **loss** or destruction.
2. Rented by **you** or a **family member** for 60 days or less under a written rental agreement from a commercially licensed rental agency and being operated by **you** or any **family member** at the time of the **loss**.

## TOWING AND STORAGE CHARGES

In addition, after an **auto accident** for which this coverage is provided, **we** will pay reasonable towing and storage charges **you** or any **family member** are legally responsible for in transporting and storing **your covered auto** up to a maximum of \$250.

## TRANSPORTATION EXPENSES

In addition, **we** will pay, without application of a deductible, up to \$20 per day, to a maximum of \$600 for transportation expenses incurred by **you** in the event of the total theft of **your covered auto**. This applies only if the Declarations indicate that **Other Than Collision** is provided for that **auto**.

**We** will pay only expenses incurred during the period:

1. Beginning 48 hours after the theft; and
2. Ending when **your covered auto** is returned to use or **we** offer to pay or pay for its **loss**.

## EXCLUSIONS

**We** will not pay for:

1. **Loss** to **your covered auto** or **non-owned auto** while it is being used to carry persons or property for compensation or a fee, including but not limited to, delivery of magazines, newspapers, food, pizza, or any other product. This exclusion does not apply to a share-the-expense car pool.
2. Damage due and confined to:
  - a) wear and tear;
  - b) freezing;

- c) mechanical or electrical breakdown or failure; or
- d) road damage to tires.

This exclusion does not apply if the damage results from the total theft of **your covered auto**.

3. **Loss** due to a consequence of:

- a) radioactive contamination;
- b) war (declared or undeclared);
- c) civil war;
- d) insurrection; or
- e) rebellion or revolution.

4. **Loss** to:

- a) electronic equipment designed solely for the reproduction of sound, including:
  - (1) radios and stereos;
  - (2) tape decks; or
  - (3) compact disc players.

This does not apply to such equipment which is permanently installed in **your covered auto** in the opening of the dash or console specified by the manufacturer of the **auto** for the installation of such equipment.

- b) any other electronic equipment that receives or transmits audio, visual, or data signals, including:
  - (1) citizens band radios;
  - (2) telephones;
  - (3) two-way mobile radios;
  - (4) scanning monitor receivers;
  - (5) television monitor receivers;
  - (6) video cassette recorders;
  - (7) audio cassette recorders;
  - (8) personal computers; or
  - (9) equalizers.
- c) tapes, records, discs, or other media used with equipment described in a) or b) above.
- d) any other accessories used with equipment described in a) or b) above.

5. **Loss** to equipment designed or used for the detection of radar.

6. **Loss** to a **trailer** which is not shown in the Declarations.

7. With respect to any **trailer** shown in the Declarations, **loss** to:

- a) awnings or cabanas;
- b) TV antennae; or

- c) equipment designed to create additional living facilities:

8. Total **loss** to **your covered auto** or **non-owned auto** due to forfeiture ordered by the courts or destruction or confiscation by governmental or civil authorities.

9. **Loss** to **your covered auto** or **non-owned auto** while employed or otherwise engaged in the business of:

- a) selling;
- b) repairing;
- c) servicing;
- d) storing;
- e) parking;
- f) road testing;
- g) delivering autos; or
- h) leasing

vehicles designed for use mainly on public highways.

10. **Loss** to **your covered auto** or **non-owned auto** while maintained or used by any person employed or otherwise engaged in any **business** (other than farming or ranching) not described in Exclusion 9. If a **business** use surcharge is noted in the Declarations for an **auto** shown in the Declarations, 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**.

11. **Loss** to any custom furnishings or equipment which is attached to, or located in, on or upon **your covered auto** or **non-owned auto**, including, but not limited to:

- a) special carpeting and insulation, furniture or bars;
- b) facilities for cooking and sleeping;
- c) height extending roofs, camper bodies, toppers or ladders;
- d) custom windows, murals, paintings or other decals or graphics;
- e) bedliners, tool boxes, utility boxes and fifth wheel conversions;
- f) side exhausts, headers, tachometers, pressure and temperature gauges;
- g) winches, roll bars and light bars;
- h) custom or special wheels or tires;
- i) body or suspension alterations or any equipment not installed by the original manufacturers which mechanically or structurally changes **your covered auto** or **non-owned auto** and results in an increase in performance or change in appearance;

- j) **loss to auto** covers or front end covers or protectors.
- 12. **Loss to your covered auto or non-owned auto** while **you** or any **family member** or anyone driving with permission from **you** or any **family member**:
  - a) is using an **auto** in any unlawful activity (other than a traffic violation); or
  - b) using or operating an **auto** to flee any law enforcement agent.
- 13. **Loss to your covered auto or non-owned auto** which occurs while being operated in, or while in practice or preparation for any race, hill climb, demonstration, speed contest or performance contest regardless of whether such event is prearranged or organized.
- 14. **Loss to your covered auto or non-owned auto** while it is:
  - a) being rented or leased to another; or
  - b) sold to another; or
  - c) under any conditional sales agreement by **you** to another.
- 15. **Loss** due to theft, conversion, secretion or fraudulent disposal of covered property by **you** or any **family member**.
- 16. **Loss** due to and resulting from intentional acts committed by **you** or any **family member**.
- 17. **Loss** resulting while **your covered auto or non-owned auto** is being used, operated or driven with the permission from **you** or any **family member** by an individual who **you** or any **family member** know:
  - a) is under the minimum age to obtain a driver's license;
  - b) does not have a valid driver's license;
  - c) has a suspended driver's license; or
  - d) has a revoked driver's license.
- 18. **Loss** arising out of or due to the use of **your covered auto** or any **non-owned auto** for the commercial transport of toxic or flammable liquids and/or chemicals.
- 19. **Loss to your covered auto or non-owned auto** or its equipment resulting from recreational, off road use when the vehicle is not specifically designed and recommended by the original manufacturer for such use.
- 20. Any theft or larceny of **your covered auto** or its equipment where there is no visible sign of forced entry into the vehicle.
- 21. **Loss** to wearing apparel, tools or personal effects.
- 22. **Loss to your covered auto or non-owned auto** for diminution in value.

23. **Loss to your covered auto** or any **non-owned 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.

24. **Loss to your covered auto** or any **non-owned auto**, caused directly or indirectly by mold, mildew, fungus or other microbes, including any type or form of: (a) decomposing or disintegrating organic material; (b) organic surface growth on moist, damp, or decaying matter; (c) yeast or spore bearing plant-like organism; or (d) spores, scents, toxins, mycotoxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus or other microbes. However, this exclusion does not apply to **loss** caused by mold, mildew or fungus, if such **loss** is caused by any other **loss** covered in this Part D.

#### LIMIT OF LIABILITY

A. **Our** limit of liability for **loss** will be the lesser of the:

1. **actual cash value** of the stolen or damaged property;
2. amount necessary to repair or replace the property with other property of like kind and quality less deduction for any applicable **depreciation**; or
3. the Stated Amount shown in the Schedule or in the Declarations, if any.

However, if the **loss** is to a vehicle **you** do not own and that vehicle is a **trailer**, the applicable Limit of Liability will be \$500.

B. 1. An adjustment for **depreciation** and physical condition will be made in determining **actual cash value** in the event of a total **loss**.

2. If a repair or replacement results in better than like kind or quality, **we** will not pay for the amount of the betterment.

C. Payments for **loss** covered under Collision, Other Than Collision, and Custom Parts or Equipment are subject the following provisions:

1. no more than one (1) deductible shall be applied to any one (1) covered **loss**;
2. if coverage applies to a **non-owned auto**, the highest deductible of **your covered autos** shall apply;
3. if Stated Amount Vehicle Coverage is elected by **you**, that stated amount limit of liability will be the total limit of liability applicable for **loss to your covered vehicle or non-owned vehicle**, including its custom parts and equipment.

4. the maximum payment for all electronic equipment, designed for the reproduction of sound will be \$500, unless additional equipment coverage has been purchased. This applies to both Collision and Other Than Collision **losses**.

D. If more than one (1) **auto** is shown on **your** Declarations Page, coverage will be provided as specified in the Declarations Page as to each **auto**.

### PROOF OF LOSS

When **we** request it, **you** must file a written proof of **loss** within 60 days from the date of **our** request or there will be no coverage for the **loss** claimed under Part D.

### PAYMENT OF LOSS

**We** may pay for the **loss** in money or repair or replace the damaged or stolen property. **We** may settle any **loss** with **you** or the **owner** or lienholder of the property. **We** may, at **our** expense, return any stolen property to:

1. **You**; or
2. The address shown on the Declarations Page of this policy.

If **we** return stolen property, **we** will pay for any direct physical damage to **your covered auto** or its equipment resulting from the theft. **We** may keep all or part of the property at an agreed or appraised value. **You** do not have the right to abandon salvage to **us**.

In the repair of **your covered auto** or **non-owned auto** under the physical damage coverage provisions of this policy, **we** may require or specify the use of automobile parts not made by the original manufacturer. These parts are required to be at least equal in terms of fit, quality, performance and warranty to the original manufacturer parts they replace.

### NO BENEFIT TO BAILEE

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

### LOSS PAYEE AGREEMENT

Payment for damage to **your covered auto** will be made according to **your** interest and the interest for any Loss Payee or lienholder shown on the Declarations Page or designated by **you**. Payment may be made to both jointly, or separately, at **our** discretion.

Where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of **you** or a **family member**, the Loss Payee or lienholder's interest will not be protected.

**We** will be entitled to the Loss Payee or lienholder's rights of recovery, to the extent of **our** payment to the Loss Payee or lienholder.

### OTHER INSURANCE

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 for an **auto you** do not own shall be excess over any other insurance.

### APPRAISAL

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 appraiser. The two appraisers will 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 expense of the appraisal and umpire equally.

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

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## PART E DUTIES AFTER AN ACCIDENT OR LOSS - FILING A CLAIM

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### GENERAL DUTIES

**We** must be notified promptly of how, when and where the **accident** or **loss** happened. Notice should also include the names and addresses of any injured persons and of any witnesses. Failure to give notice as required herein may render this policy voidable.

A person seeking coverage must:

1. Cooperate with **us** in the investigation, settlement or defense of any claim or lawsuit.
2. Promptly send **us** copies of any notices or legal papers received in connection with the **accident** or **loss**.
3. Submit, as often as **we** reasonably require:
  - a) to physical exams by physicians **we** select. **We** will pay for these exams.
  - b) to examinations under oath outside the presence of any person other than your attorney.
4. Authorize **us** to obtain:
  - a) medical reports; and
  - b) other pertinent records.
5. Submit a sworn statement as proof of **loss** as required by **us**.

### ADDITIONAL DUTIES FOR UNINSURED/UNDERINSURED MOTORISTS COVERAGE

A person seeking Uninsured/Underinsured Motorists Coverage must also in addition to the duties stated above:

1. Notify the police as soon as possible of any **accident**.
2. Notify the police within 24 hours of an **accident** if a hit-and-run or unknown driver is involved and file with **us** within thirty (30) days thereafter a statement under oath that **you** or a **family member** has a cause of action arising out of the **accident** for damages against a person or persons whose identify is unascertainable and set forth facts in support, thereof.
3. Serve a copy of any legal action and all pleadings on **us** as required by law.

#### **ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO**

A person seeking Coverage for Damage to Your Auto must also in addition to the duties stated above:

1. Notify the police within 24 hours after the discovery of the **loss**, if **your covered auto** is stolen or vandalized.
2. Take reasonable steps after **loss** to protect **your covered auto** and its equipment from further **loss**. **We** will pay reasonable expenses incurred to do this.
3. Permit **us** to inspect and appraise the damaged property before its repair or disposal.

Failure to comply with any of the above duties under this Part E 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 against an **insured**.

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### **PART F GENERAL PROVISIONS**

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#### **BANKRUPTCY**

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

#### **CHANGES**

The premium for each of **your covered autos** 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, and to advise **us** of any changes.

Any adjustment of **your** premium will be made using **our** rules in effect at the time of the change. Premium adjustments may be made as a result of a change in:

1. **Autos** insured by the policy, including changes in use.
2. Drivers.
3. Coverages or coverage limits.

4. Rating territory; or
5. Eligibility for discounts or other premium credits.

**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 California. Otherwise, this policy contains all of the coverage agreements between **you** and **us**. Its terms may not be changed or waived except by an endorsement issued by **us**.

#### **LEGAL ACTION AGAINST US**

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

1. **we** agree in writing that the **insured** has an obligation to pay; or
2. the amount of that obligation has been finally determined by judgment after trial.

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.

#### **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; and
  2. do nothing after **loss** to prejudice them; and
  3. deliver to **us** any legal papers relating to that recovery.
- 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.

#### **POLICY PERIOD AND TERRITORY**

This policy applies only to covered **losses** resulting from **auto accidents** or damage to **your covered auto** which occur:

1. During the policy period as shown in the Declarations; and
2. Within the policy territory.

The policy territory is:

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

2. Puerto Rico; or
3. Canada.

This policy also applies to **loss** to, or **accidents** involving, **your covered auto** while being transported between their ports.

#### **TERMINATION - CANCELLATION, NONRENEWAL, AUTOMATIC TERMINATION, OTHER TERMINATION PROVISIONS**

**Cancellation.** This policy may be canceled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:
  - a. returning this policy to **us**; or
  - b. giving **us** advance written notice of the date cancellation is to take effect.
2. **We** may cancel by mailing to the named insured shown in the Declarations at the address shown in this policy:
  - a. at least 10 days notice:
    1. if cancellation is for nonpayment of premium; or
    2. if notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy.
  - b. at least 20 days notice in all other cases.
  - c. a notice that **your** policy will remain canceled back to the effective cancellation date if **you** attempt payment by a check that is dishonored.
3. After this policy is in effect for 60 days or more, or if this is a renewal or continuation policy, **we** may cancel only:
  - a. for nonpayment of premium; or
  - b. if the driver's license or motor vehicle registration of the named insured or any other operator who resides in the same household or customarily operates an automobile insured under this policy has been under suspension or revocation during the policy period or immediately preceding policy period; or
  - c. discovery of fraud or material misrepresentation by **you** in obtaining this insurance or pursuing a claim against the policy.

Proof of mailing a notice of cancellation shall be proof of cancellation.

**Nonrenewal.** If **we** decide not to renew or continue this policy, **we** will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period. If the policy period is other than one

year, **we** will have the right not to renew or continue it only at each anniversary of its original effective date.

**Automatic Termination.** If **we** offer to renew or continue 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. If **you** obtain other insurance on **your covered auto**, any similar insurance provided by this policy will terminate as to that **auto** on the effective date of the other insurance.

If **you** attempt to make a downpayment or a full policy payment with a check that is dishonored, **your** policy will be voided back to the inception date. No coverages will exist.

#### **Other Termination Provisions; Premium Refunds**

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. **We** may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
3. If this policy is canceled or amended, **you** may be entitled to a premium refund. If so, **we** will send **you** the refund. The premium refund, if any, will be computed according to **our** manuals in effect at the time of cancellation or amendment. However, making or offering to make the refund is not a condition of cancellation. We reserve the right to apply any refundable unearned premium to any outstanding premium balance due at the time the refund is generated.
4. The effective date of cancellation stated in the notice shall become the end of the policy period.

#### **TRANSFER OF YOUR INTEREST IN THIS POLICY**

- A. **Your** rights and duties under this policy may not be assigned without **our** written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
  1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations.
  2. The legal representative of deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use **your covered auto**.

B. Coverage will only be provided until the end of the policy period.

### **TWO OR MORE AUTO POLICIES**

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

### **MISREPRESENTATION AND FRAUD**

**We** do not provide coverage for **you** or any person who conceals or misrepresents any fact material to this insurance or who makes false statements or engages in fraudulent conduct relating to this insurance, either before or after a **loss**. Any material misrepresentation made in the application for this insurance shall give **us** the absolute right to void and nullify this policy.

### **CONFORMITY TO STATE STATUTES**

The coverages provided in Part A and Part C of this policy pertaining to Liability and Uninsured/Underinsured Motorists Coverages are intended to be in full conformity with the California law applying to such coverages. If any provision of such coverages conflicts with such law, such provision is changed to comply with such law.

### **WARNING**

Unless **you** have automobile insurance written by a Mexican insurance company, **you** may spend many hours or days in jail if you have an **accident** in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of **your** automobile.

IN WITNESS WHEREOF, **we** have caused this policy to be executed and attested.



Ginger Purgatorio  
President



Julie Cho  
Secretary



**YOUR PERSONAL AUTO POLICY QUICK REFERENCE**

**FORMS SECTION**

FORM NO.	DESCRIPTION	EDITION DATE	PAGE
CA 401.....	TOWING AND LABOR COSTS COVERAGE .....	ED. 6/96.....	1
CA 402.....	LOSS PAYABLE CLAUSE .....	ED. 6/9.....	1
CA 405.....	RENTAL REIMBURSEMENT COVERAGE .....	ED. 5/96.....	1
CA 406.....	ADDITIONAL INSURED LESSOR .....	ED. 12-96 .....	1
CA 407.....	NAMED OPERATOR - NON-OWNER COVERAGE.....	ED. 12-96 .....	2
CA 408.....	ADDITIONAL EQUIPMENT COVERAGE .....	ED. 6/96.....	3
CA 410.....	POLLUTION EXCLUSION .....	ED. 6/96.....	4
CA 416.....	COMBINED SINGLE LIMIT OF LIABILITY .....	ED. 9/99.....	5

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**CA 401 - ED. 6/96**

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE.

**TOWING AND LABOR COSTS COVERAGE**

Coverage is provided under this endorsement only when noted on the Declarations page of this policy. All the provisions of this policy, including all amendments thereto, apply to the coverage provided by this endorsement.

**INSURING AGREEMENT**

If **you** pay a premium for towing and labor costs coverage, **we** will pay up to the amount shown in the Declarations for towing and labor costs incurred each time **your covered auto** is disabled provided that:

- 1) The labor must be performed at the place of disablement; and
- 2) the disablement does not occur at your residence.

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**CA 402 - ED. 6/96**

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE.

**LOSS PAYABLE CLAUSE**

**Loss** or damage shall be paid, subject to all the terms of this policy, as interest may appear, to the named insured, the loss payee shown in the Declarations of this policy, both jointly, or separately, at **our** discretion.

Where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of **you** or a **family member**, the Loss Payee or lienholder's interest will not be protected.

However, **we** reserve the right to cancel or nonrenew the policy as permitted by policy terms and the cancellation or nonrenewal shall terminate this agreement as to the loss payee's interest. **We** will give the same advance notice of cancellation or nonrenewal to the loss payee as **we** give to the named insured shown in the Declarations. Proof of mailing shall be sufficient proof of notice.

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

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**CA 405 - ED. 5/96**

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE.

**RENTAL REIMBURSEMENT COVERAGE**

If **you** pay a premium for Rental Reimbursement Coverage, **we** will reimburse **you** for rental charges incurred by **you** when **you** rent an **auto** from a rental agency or vehicle repair facility due to a **loss** to **your covered auto**. Rental charges will be reimbursed beginning:

1. When **your covered auto** cannot be driven due to a **loss**; or
2. If **your covered auto** can be driven, when you deliver **your covered auto** to a vehicle repair facility for repairs due to the loss;

and ending when **your covered auto** has been repaired, replaced, or if **your covered auto** is deemed by **us** to be a total loss, twenty-four (24) hours after **we** make an offer to pay the **actual cash value** of **your covered auto**.

The maximum amount **we** will pay for rental reimbursement coverage is shown in the Declarations.

**You** must provide **us** written proof of **your** rental charges from a rental car agency. Duplicate recovery for identical elements of damages is not permitted under this policy.

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**CA 406 - ED. 12-96**

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE.

**ADDITIONAL INSURED LESSOR**

Provisions and exclusions that apply to this policy, including all amendments thereto, shall also apply to this endorsement except as changed by this endorsement.

**INSURING AGREEMENT**

Any coverage afforded under Part A - Liability Coverage of this policy for **your covered auto** shall also apply to the lessor named in the Declarations of this policy as an additional **insured**.

This insurance is subject to the following additional provisions:

1. **We** will pay damages except punitive damages, exemplary damages, and pre-judgment interest for which the lessor becomes legally responsible only if said damages arise out of acts or omissions of:
  - a. **You** or any **family member**, or
  - b. Any other person using, maintaining or operating **your covered auto** with the named insured's permission and within the scope of such except the lessor or any employee or agent of the lessor using **your covered auto**.
2. If **we** cancel or nonrenew this policy, notice provided under this policy will also be mailed to the lessor. Proof of mailing shall be sufficient proof of notice.
3. The lessor is not responsible for payment of premiums.
4. The designation of the lessor as an additional insured shall not operate to increase our Limits of Liability under this policy.

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#### CA 407 - ED. 12-96

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE.

#### NAMED OPERATOR - NON-OWNER COVERAGE

This coverage is subject to all of the provisions of this policy, including all amendments thereto. With respect to individuals and coverages described in the Declarations, coverage is provided where a premium and a limit of liability is shown for the coverage in the Declarations.

The general Definitions section is amended as follows:

Throughout this policy, "**you**" and "**your**" refer to the "named insured" shown in the Declarations.

"**Your covered auto**" and "**non-owned auto**" mean: any of the following types of **autos** that are not **owned** by **you**, a **family member**, or a spouse of the named insured even if not residing in the same household as the named insured:

1. A private passenger **auto** or station wagon; or

2. A pickup truck or private passenger van that:
  - a. is not used for the delivery or transportation of goods and materials unless such use is:
    1. incidental to **your business** of installing, maintaining or repairing furnishings or equipment; or
    2. for farming or ranching; and
  - b. has a Gross Vehicle Weight (GVW) as specified by the manufacturer of less than 10,000 pounds.

#### PART A - LIABILITY COVERAGE

Part A - Liability Coverage is amended as follows:

"**Insured**" as used in this Part A means:

1. The person shown as the named insured in the Declarations page, when operating **your covered auto** or a **non-owned auto** with the permission of the **owner**; and
2. Any person or organization with respect only to vicarious liability for an **accident** arising out of the use of your **covered auto** or **non-owned auto** by **you** or with the express permission of the **owner**.

#### PART B - MEDICAL PAYMENTS COVERAGE

##### Insuring Agreement

If **you** pay a premium for Medical Payments coverage and it is shown in the Declarations page, any insurance **we** provide shall be excess over any other similar insurance or self-insurance.

- A. The definition of "**Insured**" as used in this Part B is amended as follows:

"**Insured**" as used in this Part B means:

1. **You** while occupying:
  - a. **your covered auto**; or
  - b. any other auto operated by **you**.
- B. The Exclusions section as used in Part B is amended as follows:

Exclusions

  1. Exclusion 4. is replaced with the following:
    4. Sustained while **occupying** any **auto** (other than **your covered auto**) which is **owned** by **you**.
  2. Exclusion 5. is deleted.

3. Exclusion 11. is replaced with the following:
  11. Resulting while an **insured** is **occupying any auto** while:
    - a. being used in any unlawful activity (other than a traffic violation); or
    - b. used or operated in an attempt to flee a law enforcement agent and the **insured** is a willing participant in such activity listed in a. or b. above.
4. Exclusion 12. is replaced by the following:
  12. Resulting while an insured is **occupying any auto** being used, operated or driven, by an individual who the **insured** knows or has reason to know:
    - a. is under the minimum age to obtain a driver's license; or
    - b. does not have a driver's license; or
    - c. has a suspended driver's license; or
    - d. has a revoked driver's license.

### **PART C - UNINSURED/UNDERINSURED MOTORISTS COVERAGE**

Part C is amended as follows:

#### **Additional Definitions Used In This Part C Only:**

The definition of "**insured**" is replaced as follows:

"**Insured**" means:

1. **You**, when **occupying your covered auto** with the express permission of the **owner**.
2. Any personal representative who is legally entitled to recover damages covered by this Part C because of **bodily injury** sustained by a person listed in 1 above.

#### **Other Insurance**

The Other Insurance provisions under Part A and Part B are deleted and replaced by the following:

If there is other applicable liability or **auto** medical payments coverage, any insurance **we** provide shall be excess over any other applicable insurance.

**We** will not pay for any damages which would duplicate any payment made for damages under other insurance.

The Other Insurance provisions under Part C are deleted and replaced by the following:

If there is other applicable Uninsured/Underinsured Motorists Coverage, any insurance **we** provide shall be excess over any other applicable uninsured/underinsured motorists insurance.

If any **insured** is injured while not **occupying a motor vehicle**, the coverage provided under this policy shall be excess to any uninsured/underinsured motorists coverage provided by a policy under which that **insured** is a named insured.

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### **CA 408 - ED. 6/96**

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE.

#### **ADDITIONAL EQUIPMENT COVERAGE**

Coverage is provided under this endorsement only on those **insured autos** for which Collision and Other Than Collision coverage is noted in the Declarations and only on additional equipment permanently installed in **your covered auto** which is specifically listed on the application.

All provisions of this policy, including all amendments thereto, apply to the coverage provided by this endorsement except as modified herein.

The provisions and exclusions that apply to Part D., also apply to this endorsement except as changed by this endorsement.

- A. The **INSURING AGREEMENT** in Part D of this policy is replaced by the following:

#### **INSURING AGREEMENT**

**We** will pay for direct and accidental **loss** to **your covered auto** including its equipment attached thereto. In addition, **we** will pay for direct and accidental **loss** to additional equipment permanently installed in **your covered auto** which is specifically listed on the application and for which a specific premium is noted and paid.

- B. **PART D. EXCLUSIONS.**

The exclusions that apply to PART D., also apply to this endorsement except as changed as follows:

1. Exclusion 4. and Exclusion 11. shall not apply to any additional equipment permanently installed in **your covered auto** which is listed on the application and for which a specific premium is noted and paid.

### C. LIMIT OF LIABILITY

The **LIMIT OF LIABILITY** section under PART D. shall be replaced as follows:

#### LIMIT OF LIABILITY

1. **Our** limit of liability for **loss** will be the lesser of the:
  - a. **Actual cash value** of the stolen or damaged property; or
  - b. Amount necessary to repair or replace the property with other property of like kind and quality; or
  - c. Stated amount shown in the Schedule or Declarations.
2.
  - a. An adjustment for **depreciation** and physical condition will be made in determining **actual cash value** in the event of a total loss.
  - b. If a repair or replacement results in better than like kind or quality, **we** will not pay for the amount of the betterment.

**Our** payment for **loss** will be reduced by any applicable deductible shown in the Declarations for Collision and/or Other Than Collision coverage. The maximum amount payable is the stated amount as noted on the application for each listed additional equipment suffering **loss** less the applicable deductible.

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#### CA 410 - ED. 6/96

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE.

#### POLLUTION EXCLUSION

##### Definitions

**Pollutants** means any solid, liquid, gaseous, or thermal substance, irritant, or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, toxic chemicals and waste. Waste includes, but not limited to, materials to be recycled, reconditioned or reclaimed, known or unknown to contain **pollutants** or result in environmental damage.

It is agreed as follows:

1. The insurance afforded by this policy does not provide coverage for **you** or others for **bodily injury** or **property damage** arising out of or resulting from the intentional or unintentional, actual, alleged, or threatened discharge, release, dispersal, seepage, or escape of **pollutants** that are, or that are contained in any property that is being transported or towed by or handled for movement into, onto or from **your covered auto**.
2. The insurance afforded by this policy does not provide coverage for **you** or others for **bodily injury** or **property damage** arising out of or resulting from the intentional or unintentional, actual, alleged, or threatened discharge, seepage, or escape of **pollutants** that are, or that are contained in any property that is otherwise in the course of transit by **you**.
3. The insurance afforded by this policy does not provide coverage for **you** or others for **bodily injury** or **property damage** arising out of or resulting from the intentional or unintentional, actual, alleged, or threatened discharge, release, dispersal, seepage, or escape of **pollutants** that are, or that are contained in any property that is being stored, disposed of, treated or processed in or upon **your covered auto**. This exclusion does not apply to fuel, lubricants, fluids, exhaust gases or other similar **pollutants** that are needed or result from the normal electrical, hydraulic, or mechanical functioning of **your covered auto** or its parts if:
  - a. the **pollutants** escape, seep or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive, or dispose of such **pollutants**; and
  - b. the **bodily injury** or **property damage** does not arise out of the operation of any equipment or device mounted on an **auto** chassis or used to raise or lower workers; and
  - c. the **bodily injury** or **property damage** does not arise out of the operation of any air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

4. The insurance afforded by this policy does not provide coverage for **you** or others for **bodily injury** or **property damage** arising out of or resulting from the intentional or unintentional, actual, alleged, or threatened discharge, release, dispersal, seepage, or escape of **pollutants** before the **pollutants** or any property in which **pollutants** are contained are moved from the place where they are accepted by **you** for movement into or onto **your covered auto**. This exclusion does not apply if the **pollutants** or any property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of **your covered auto**. This exclusion also does not apply if the discharge, dispersal, release, seepage or escape of the **pollutants** is caused by such upset, overturn or damage.
5. The insurance afforded by this policy does not provide coverage for **you** or others for **bodily injury** or **property damage** arising out of or resulting from the intentional or unintentional, actual, alleged, or threatened discharge, release, dispersal, seepage, or escape of **pollutants** before the **pollutants** or any property in which **pollutants** are contained are moved from **your covered auto** to the place where they are finally delivered, disposed of or abandoned by **you**. This exclusion does not apply if the **pollutants** or any property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of **your covered auto**. This exclusion also does not apply if the discharge, dispersal, release, seepage or escape of the **pollutants** is caused by such upset, overturn or damage.
6. This insurance does not provide coverage for any **loss**, cost, liability, or expense arising out of any judicial, administrative or other governmental order, direction or request that **you** test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize **pollutants** or environmental damage.

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**CA 416 - Ed. 9/99**

THIS ENDORSEMENT DOES NOT APPLY  
UNLESS THIS FORM NUMBER IS LISTED UNDER  
THE FORMS SECTION ON THE DECLARATIONS  
PAGE.

**COMBINED SINGLE LIMIT OF LIABILITY**

This endorsement is subject to all provisions of this policy except as modified as follows:

**PART A – LIABILITY COVERAGE**

The Limit of Liability section Under PART A is deleted and replaced as follows:

**LIMIT OF LIABILITY**

The Limit of Liability shown in the Declarations is the most **we** will pay for all damages because of **bodily injury** or **property damage** as a result of any one **auto accident**.

**We** will pay no more than the maximum regardless of the number of:

1. **Insureds**;
2. Claims made;
3. **Autos** or premiums shown in the Declarations;
4. **Autos** involved in the **auto accident**;
5. Premiums paid; or
6. Lawsuits brought.

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

Any amount payable under this coverage to or for an injured person will be reduced by any payment made to that person under PART B – MEDICAL PAYMENTS COVERAGE and PART C – UNINSURED/UNDERINSURED MOTORISTS COVERAGE of this policy.

The FINANCIAL RESPONSIBILITY REQUIRED section under PART A is deleted and replaced as follows:

When **we** certify this Policy as proof under any financial responsibility law, **we** will apply the Limit of Liability to provide the separate limits required by law to the extent of the coverage required by the law in the state where the Policy is certified. Separate application of the Limit of Liability will not increase **our** total Limit of Liability. **You** must reimburse **us** for any payment **we** make which **we** would not have been obligated to make under the terms of the Policy except for the agreement contained in this paragraph.