



For questions about your policy, please call:
1-800-926-6012

Esurance Property and Casualty Insurance Company
650 Davis Street
San Francisco, CA 94111-1904

Important: Please read your Personal Auto Policy carefully as it contains language which may restrict or exclude coverage, particularly to drivers of your vehicle that are residents of your household and not listed on the policy. The policy specifically addresses who may use your vehicle and under what conditions coverage will be afforded. You may purchase additional coverage by contacting the Company.

Fraud Statement: Any person who knowingly presents a false or fraudulent claim for payment of a loss is guilty of a crime and may be subject to fines and confinement in prison.

THE SPECIFIED REASONS FOR WHICH “**WE**” MAY CANCEL OR TERMINATE THIS POLICY, REFUSE TO RENEW, OR INCREASE THE PREMIUM, ARE SPECIFIED IN **PART IV** UNDER THE HEADINGS OF “TERMINATION”, “FRAUD OR MISREPRESENTATION” AND “CHANGES”.

WHEN THIS POLICY IS ISSUED, AND WHEN THIS POLICY IS RENEWED, WE RELY UPON THE TRUTH AND ACCURACY OF THE REPRESENTATIONS MADE IN THE APPLICATION FOR THIS INSURANCE. YOUR APPLICATION, THE POLICY TERMS AND CONDITIONS, ALL OTHER FORMS WE PROVIDE TO YOU AND ENDORSEMENTS ISSUED BY US, ARE PART OF, AND FORM, YOUR POLICY.

WARNING - Unless you have automobile or aircraft 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 such insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your automobile or aircraft.

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PERSONAL AUTOMOBILE POLICY

INSURING AGREEMENT

When “**we**” agree to issue this policy, and when “**we**” agree to renew this policy, “**we**” rely upon the truth and accuracy of the information “**you**” provide to “**us**” and the representations made by “**you**” in “**your**” Application for this insurance and at the time of each renewal. “**Your**” Application, the policy terms and conditions, all other forms “**we**” provide to “**you**”, and Endorsements issued by “**us**”, are part of, and form, “**your**” policy. The duties and obligations imposed by this policy shall be binding upon “**you**”, “**family members**”, and all other persons seeking coverage or benefits under this policy.

In return for “**your**” premium payment, “**we**” agree to insure “**you**” subject to all of the terms of this policy as follows:

DEFINITIONS APPLICABLE TO ALL COVERAGES

The following definitions, in their singular, plural, and possessive forms, apply throughout this policy when printed in “**boldface italics within quotation marks**”.

1. “**You**” and “**your**” refer to:

- A. The named insured(s) shown on the Declarations page;
- B. The spouse or “**registered domestic partner**” of the named insured if that spouse or “**registered domestic partner**” is a resident of the named insured’s “**household**” during the policy period.

If the spouse or “**registered domestic partner**” ceases to be a resident of the named insured’s “**household**” during the policy period or prior to the inception of this policy, that spouse or “**registered domestic partner**” will be considered “**you**” and “**your**” under this policy but only until the earliest of:

- (1) 30 days after the spouse or “**registered domestic partner**” ceases to reside with the named insured;
- (2) The effective date of another policy listing that spouse or “**registered domestic partner**” as an insured;
- (3) The end of the policy period; or
- (4) Cancellation of this policy.

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

3. “**Accident**” means a sudden, unexpected, and unintended event.

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

- A. Registered under the applicable motor vehicle laws;
- B. Designed principally for operation upon public roads;
- C. With more than three load-bearing wheels; and
- D. With a gross vehicle weight rating (as determined by the manufacturer’s specifications) of 10,000 pounds or less.

5. ***“Bodily injury”*** means bodily harm, sickness, or disease, including death that results from bodily harm, sickness, or disease.
6. ***“Business”*** includes trade, profession, or occupation.
7. ***“Child passenger restraint system”*** means a system as described in Section 27360 of the California Vehicle Code.
8. ***“Covered auto”*** means:
 - A. Any vehicle identified on ***“your”*** Declarations page;
 - B. A ***“newly acquired auto”***;
 - C. Any ***“trailer”*** titled to ***“you”***; or
 - D. Any ***“auto”*** or ***“trailer”*** while used as a temporary substitute for any other ***“auto”*** or ***“trailer”*** described in this definition which is out of normal use due to:
 - (1) Breakdown;
 - (2) Repair;
 - (3) Loss; or
 - (4) Destruction.
9. ***“Depreciation”*** means the decline in value due to wear and tear and/or obsolescence.
10. ***“Family member”*** means:
 - A. Any person related to ***“you”*** by blood, marriage, or adoption who is a resident of ***“your” “household”***; and
 - B. ***“Your”*** ward or foster child who resides in ***“your” “household”***.
11. ***“Household”*** consists of ***“you”***, a ***“family member”***, and any ***“registered domestic partners”***, unrelated roomers, boarders, live-in employees, and other non-relatives who live together in the same housing unit. A housing unit includes a house, apartment, condominium, mobile home, trailer, a group of rooms, or a single room that is self-contained and located at the address listed in ***“your”*** Declarations page.
12. ***“Loss”*** means:
 - A. Sudden, direct, and unintended physical damage; or
 - B. Theft.
13. ***“Minimum limits”*** refers to the following limits of liability to be provided under an automobile liability insurance policy, as required by California law, if liability coverage under this policy is provided on a split limit basis:
 - A. \$15,000 for each person, subject to \$30,000 for each ***“accident”*** with respect to ***“bodily injury”***; and
 - B. \$5,000 for each ***“accident”*** with respect to ***“property damage”***.
14. ***“Newly acquired auto”*** means an ***“auto”*** that ***“you”*** become the ***“owner”*** of during the policy period, if:
 - A. ***“You”*** pay any additional premium due for coverage under this policy;
 - B. ***“We”*** insure all other ***“autos” “you” “own”***;
 - C. No other insurance policy provides coverage for the ***“auto”***; and
 - D. Subject to the following conditions:
 - (1) If the ***“auto” “you”*** acquire replaces an ***“auto”*** shown on the Declarations page, that acquired ***“auto”*** will have the same coverage as the ***“auto”*** it replaces. Coverage will begin when ***“you”*** become the ***“owner”*** of the acquired ***“auto”***. ***“You”*** must ask ***“us”*** to insure a replacement ***“auto”*** within 30

days after “you” become the “owner” if “you” want to continue any coverage “you” had under **Part IV: Coverage for Physical Damage to an Auto** after those initial 30 days.

- (2) If the “auto” “you” acquire replaces an “auto” shown on the Declarations page, and the replaced “auto” did not have coverage under **Part IV: Coverage for Physical Damage to an Auto**, “you” may add this coverage for the replacement “auto”. The added coverage will not be effective until after “we” receive “your” request and “we” agree to add the coverage.
- (3) If the “auto” “you” acquire is in addition to the “autos” shown on the Declarations page, that added “auto” will have the same coverage as the “auto” on the Declarations page with the broadest coverage if “you” ask “us” to insure the additional “auto” within 30 days after “you” become the “owner”. If “you” ask “us” to insure the additional “auto” within 30 days after “you” became the “owner”, coverage will begin when “you” became the “owner” of the “auto”.
- (4) If the “auto” “you” acquire is in addition to the “autos” shown on the Declarations page, and “you” do not ask “us” to insure the additional “auto” within 30 days after “you” become the “owner”, no coverage will be provided for the additionally acquired “auto” until after “you” ask “us” to insure the additional “auto” and “we” agree to insure the “auto”.
- (5) If no “auto” on the policy has coverage under **Part IV: Coverage for Physical Damage to an Auto**, “you” may add this coverage for the acquired “auto”. The added coverage will not be effective until after “we” receive “your” request and “we” agree to add the coverage.
- (6) If “you” ask “us” to increase any of “your” limits, the increase will not be effective until after “we” receive “your” request and “we” agree to increase the limits.

15. “Occupying” means:

- A. In;
- B. Upon; or
- C. Getting in, on, out, or off.

16. “Own” and “owned”, with respect to a motor vehicle means:

- A. Titled to that person under motor vehicle laws;
- B. Leased under a written agreement for a continuous period of at least six months; or
- C. That person has primary legal possession, subject to a lien or written security agreement with an original term of six months or more.

17. “Owner” means a person:

- A. To whom a motor vehicle is titled under motor vehicle laws;
- B. To whom a motor vehicle is leased under a written agreement for a continuous period of at least six months; or
- C. Who has primary legal possession of a motor vehicle, subject to a lien or written security agreement with an original term of six months or more.

18. “Registered domestic partner” means a person registered with the California Secretary of State pursuant to California Family Code sections 297 and 298.

19. “Temporary substitute” means an “auto” temporarily loaned or rented to “you” by a person engaged in the “business” of selling, repairing, servicing, delivering, testing, road-testing, parking, or storing motor vehicles.

20. “Trailer” means a vehicle designed to be pulled by a private passenger “auto”, which is not used:

- A. As an office, store, or for commercial display purposes;
- B. To transport passengers; or
- C. As a primary residence.

PART I: LIABILITY COVERAGE

INSURING AGREEMENT

Subject to the Limits of Liability, **“we”** will pay damages for **“bodily injury”** and **“property damage”** for which any **“insured”** becomes legally responsible because of an auto **“accident”**. **“We”** will also pay for the replacement of a **“child passenger restraint system”** that was in use by a child during an **“accident”** for which liability coverage under this policy is applicable due to the liability of an **“insured”**.

Damages include prejudgment interest awarded against the **“insured”**. **“We”** will settle or defend as **“we”** deem appropriate, any claim or lawsuit asking for these damages. However, **“we”** will not pay for punitive or exemplary damages under **Part I**. In addition to **“our”** limit of liability, **“we”** will pay costs **“we”** incur when **“we”** defend an **“insured”**. **“Our”** duty to settle or defend ends when **“our”** limit of liability for this coverage has been exhausted by payment of judgments or settlements. **“We”** have no duty to defend any lawsuit or settle any claim for **“bodily injury”** or **“property damage”** not covered under this policy.

ADDITIONAL DEFINITIONS FOR PART I: LIABILITY COVERAGE

When used in **Part I**:

1. **“Insured”** means:
 - A. **“You”** or any **“family member”** for the ownership, maintenance, or use of any **“auto”** or **“trailer”**;
 - B. Any person using a **“covered auto”** with permission from **“you”** or a **“family member”**;
 - C. For a **“covered auto”**, any person or organization but only with respect to legal responsibility for acts or omissions of an insured person described in **1.A** or **1.B** above; or
 - D. For any **“auto”** or **“trailer”** other than a **“covered auto”**, any other person or organization but only with respect to legal responsibility for the acts or omissions of **“you”** or a **“family member”**. This Provision **1.D.** applies only if the person or organization does not **“own”** or hire the **“auto”** or **“trailer”**.
However, the following are not **“insureds”** under **Part I** if the provisions of Section 2679 of Title 28, United States Code, as amended, require the Attorney General of the United States to defend that person or organization in any civil action for **“bodily injury”** or **“property damage”** arising out of the **“accident”**:
 - A. The United States of America or any of its agencies.
 - B. Any person with respect to **“bodily injury”** or **“property damage”** resulting from the operation of an **“auto”** by that person as an employee of the United States Government.
2. **“Property damage”** means the physical damage of, destruction of, or loss of use of, tangible property.

SUPPLEMENTARY PAYMENTS

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

1. Up to \$250 for the cost of bail bonds required because of an **“accident”** or traffic law violation resulting from an **“accident”**. The **“accident”** must result in **“bodily injury”** or **“property damage”** covered under this policy. **“We”** have no duty to apply for or furnish this bond.
2. Premiums on appeal bonds and bonds to release attachments in any lawsuit **“we”** defend. **“We”** are not required to apply for or provide these bonds. **“We”** also are not required to purchase a bond in an amount that is greater than **“our”** limit of liability.
3. Interest on compensatory damages accruing after a judgment is entered in any lawsuit **“we”** defend. **“Our”** duty to pay interest ends when **“we”** offer to pay, or have deposited with the court, that part of the judgment for damages covered by **Part I** which do not exceed **“our”** limit of liability for this coverage. This does not apply if **“we”** have not been given notice of lawsuit or the opportunity to defend an **“insured”**.
4. Up to \$200 a day for loss of earnings, but not other income, because of attendance at hearings or trials at **“our”** request.
5. Other reasonable expenses incurred at **“our”** request.

EXCLUSIONS FOR PART I: LIABILITY COVERAGE

(Read carefully. If any of the exclusions below apply, coverage will not be afforded under Part I.)

1. “We” have no duty to defend and do not provide Liability Coverage for any “insured”:
 - A. Who intentionally causes, or directs another to cause, “*bodily injury*” or “*property damage*”.
 - B. For “*bodily injury*” or “*property damage*” that is caused intentionally by, or at the direction of the “insured”.
 - C. For “*property damage*” to property owned or being transported by that “insured”.
 - D. For “*property damage*” to property:
 - (1) Rented to;
 - (2) Used by; or
 - (3) In the charge of;that “insured”.

A motor vehicle operated by an “insured” shall be considered to be property in the care of an insured.

This Exclusion 1.D. does not apply to “*property damage*” to a residence or private garage unless that residence or garage is owned by “you” or another “insured”.
 - E. For “*bodily injury*” to an employee of that “insured” arising out of and in the course of his or her employment. This Exclusion 1.E. does not apply to “*bodily injury*” to a domestic employee unless workers’ compensation benefits are required or available for that domestic employee.
 - F. For that “insured’s” liability arising out of the ownership or operation of any vehicle while it is used as a public or livery conveyance, or used to carry property for compensation or a fee. This Exclusion 1.F. applies to, but is not limited to, the delivery of magazines, newspapers, food, or any other products. However, this Exclusion 1.F. does not apply to shared-expense car pools.
 - G. While employed or otherwise engaged in the “*business*” of:
 - (1) Selling;
 - (2) Leasing;
 - (3) Repairing;
 - (4) Testing;
 - (5) Servicing;
 - (6) Storing;
 - (7) Parking;
 - (8) Cleaning;
 - (9) Delivering; or
 - (10) Road-testing;vehicles designed for use mainly on public highways.

This Exclusion 1.G. does not apply to the ownership, maintenance, or use of a “*covered auto*” by:

 - (1) “You”;
 - (2) Any “*family member*”; or
 - (3) Any partner, agent, or employee of “you” or any “*family member*”.
 - H. Maintaining or using any vehicle while that “insured” is employed or otherwise engaged in any “*business*” (other than farming or ranching). This Exclusion 1.H. does not apply to business use of a “*covered auto*” by an “insured” that has been disclosed to “us” and for which all applicable premiums have been paid.
 - I. Using a vehicle without permission of its “owner” to do so. This Exclusion 1.I. does not apply to a “*family member*” using a “*covered auto*” “owned” by “you”.
 - J. For “*bodily injury*” or “*property damage*” resulting from exposure to radioactive or nuclear material, or otherwise covered under any nuclear energy liability policy.

- K. For ***“bodily injury”*** or ***“property damage”*** resulting from the operation of a vehicle as an employee of the United States Government and acting within the scope of that employment. This Exclusion **1.K.** applies when the provisions of the Federal Tort Claims Act apply.
 - L. For ***“bodily injury”*** or ***“property damage”*** resulting from the intentional discharge, dispersal, or release of radioactive, nuclear, biological, chemical, or other hazardous materials, or from exposure to those materials.
 - M. Any liability assumed by the ***“insured”*** under any contract or agreement.
 - N. For ***“bodily injury”*** to an ***“insured”*** whenever the ultimate benefits of that indemnification accrue directly or indirectly to the ***“insured”***.
 - O. For ***“bodily injury”*** or ***“property damage”*** resulting from the use of any ***“auto”*** or trailer as a residence or premises, or for office or display purposes.
 - P. For liability imposed upon or assumed by the ***“insured”*** under any workers’ compensation law.
2. ***“We”*** do not provide Liability Coverage for the ownership, maintenance, or use of:
- A. Any vehicle which:
 - (1) Has fewer than four wheels; or
 - (2) Is designed mainly for use off public roads.
 This Exclusion **2.A.** does not apply:
 - (1) While such vehicle is being used by an ***“insured”*** in a medical emergency; or
 - (2) To a ***“trailer”***.
 - B. Any vehicle, other than a ***“covered auto”***, which is:
 - (1) ***“Owned”*** by ***“you”***; or
 - (2) Furnished or available for ***“your”*** regular use.
 - C. Any vehicle, other than a ***“covered auto”***, which is:
 - (1) ***“Owned”*** by any ***“family member”***; or
 - (2) Furnished or available for the regular use of any ***“family member”***.

This Exclusion **2.C.** does not apply to ***“you”*** while ***“you”*** are maintaining or occupying any vehicle which is:

- (1) ***“Owned”*** by any ***“family member”***; or
- (2) Furnished or available for the regular use of any ***“family member”***.
- D. Any vehicle while competing in, or practicing or preparing for, any prearranged or organized racing or speed contest.
- E. Any vehicle located inside a facility designed for racing or high performance driving for the purpose of:
 - (1) Competing in;
 - (2) Practicing or preparing for any prearranged or organized racing or speed contest; or
 - (3) Participating in any racing school, driving school, driver training, skills training, race driving experience, or racing adventure program.
- F. A ***“covered auto”*** while leased or rented to others.

LIMIT OF LIABILITY

- 1. The limit of liability shown on the Declarations page for each person for Bodily Injury Liability is ***“our”*** maximum limit of liability for all damages, including, but not limited to, damages for:
 - A. Loss of society;
 - B. Loss of companionship;
 - C. Loss of services;
 - D. Loss of consortium; and
 - E. Wrongful death; and
 - F. Any claims recognized by law for distress or emotional trauma due to witnessing an ***“accident”*** or ***“bodily injury”***;

which may arise as a result of ***“bodily injury”*** sustained by any one person in any one ***“auto” “accident”***. Subject to this limit for each person, the limit of liability shown on the Declarations page for each ***“accident”*** for Bodily Injury Liability is ***“our”*** maximum limit of liability for all damages for ***“bodily injury”*** resulting from any one ***“auto” “accident”***.

2. The limit of liability shown on the Declarations page for each ***“accident”*** for Property Damage Liability is ***“our”*** maximum limit of liability for all ***“property damage”*** resulting from any one ***“auto” “accident”***.
3. The limit of liability is the most ***“we”*** will pay regardless of the number of:
 - A. ***“Insureds”***;
 - B. Claimants;
 - C. Claims;
 - D. Claims made;
 - E. Lawsuits filed;
 - F. Vehicles or premiums shown in the Declarations page; or
 - G. Vehicles involved in the ***“accident”***.
4. If the ***“insured”*** in an ***“accident”*** is ***“you”*** or a ***“family member”***, the limit of liability for each person and each accident shown on the Declarations page for ***“bodily injury”*** shall apply to all ***“bodily injury”*** sustained in the ***“accident”***, and the limit of liability shown on the Declarations page for ***“property damage”*** shall apply for all ***“property damage”*** caused by that ***“insured”*** in any one ***“accident”***.
5. The ***“minimum limits”*** shall be ***“our”*** maximum limit of liability for any ***“accident”*** if the ***“insured”*** is any person other than ***“you”*** or any ***“family member”***.
6. A ***“covered auto”*** and a ***“trailer”*** are considered to be one ***“auto”***. Therefore, the limits of liability will not be increased or stacked for an ***“accident”*** involving a ***“covered auto”*** that has an attached ***“trailer”***.
7. No one will be entitled to receive duplicate payments for the same elements of damages under this policy or any other source.

PERMISSIVE USER MINIMUM LIMITS

FOR AN *“INSURED”* OTHER THAN *“YOU”* OR A *FAMILY MEMBER”*, ANY COVERAGE PROVIDED IS ONLY UP TO THE *“MINIMUM LIMITS”*, WHICH IS ONLY THE MINIMUM REQUIRED COVERAGE UNDER THE CALIFORNIA FINANCIAL RESPONSIBILITY LAW.

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:

1. If the state or province has:
 - A. A financial responsibility or similar law requiring limits of liability for ***“bodily injury”*** or ***“property damage”*** higher than the limit shown in the Declarations page, ***“your”*** policy will provide the higher specified limit.
 - B. 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.
2. No one will be entitled to duplicate payments for the same elements of damages.

FINANCIAL RESPONSIBILITY

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

OTHER INSURANCE

If there is:

1. Other applicable liability insurance available under one or more policies or provisions of coverage;
2. Bonds, certificates of insurance or deposits of cash made to evidence financial responsibility; or
3. A report of governmental ownership or lease filed pursuant to Section 16051 of the California Vehicle Code (which is considered a policy of automobile liability insurance);

“*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 applicable limits. However, any insurance “*we*” provide for a vehicle “*you*” do not “*own*”, including any “*temporary substitutes*”, shall be excess over any other collectible insurance, self-insurance, bond, or evidence of financial responsibility.

When there is other applicable liability insurance with the same priority as the coverage provided by “*us*” under **Part I**, “*we*” shall share in the defense costs to the extent required by California Insurance Code Section 11580.9.

PART II: MEDICAL AND FUNERAL SERVICES PAYMENTS COVERAGE

INSURING AGREEMENT

In return for “*your*” premium payment for Medical and Funeral Services Payments Coverage, and subject to the limits of liability specified in “*your*” Declarations page:

1. “*We*” will pay reasonable expenses incurred by an “*insured*” which the insured is required to pay for necessary medical and funeral services because of “*bodily injury*”:
 - A. Caused by a motor vehicle “*accident*”; and
 - B. Sustained by an “*insured*”.“*We*” will pay only those expenses incurred for services rendered within 3 years from the date of the “*accident*”.
2. “*We*” reserve the right to review, or have another party review on “*our*” behalf, the expenses to determine if they are reasonable and necessary for diagnosis and treatment of the “*bodily injury*”. “*We*” may also use independent sources of information selected by “*us*” to determine if any medical expense is reasonable and necessary. These sources may include, but are not limited to:
 - A. Physical exams paid for by “*us*” and conducted by physicians “*we*” select;
 - B. Review of medical files; or
 - C. Published sources of medical expense information including information available from computer databases.
3. “*We*” may refuse to pay for any medical expense that is unreasonable because the fee for the service is greater than the fee which is usual and customary for the geographic location in which the service is rendered. “*We*” may also refuse to pay for any medical expense because the service rendered is unnecessary for the treatment of the “*bodily injury*” sustained.

If “*we*” refuse to pay for any medical expense because the fee is unreasonable or the service is unnecessary and the “*insured*” is sued for payment of this 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. The **“insured”** must cooperate with **“us”** in the defense of the lawsuit and attend hearings or trials at **“our”** request. **“We”** will pay the **“insured”** up to \$200 per day for lost wages or salary due to attendance at a hearing or trial. **“We”** will also pay other reasonable expenses the **“insured”** incurs at **“our”** request as a result of a lawsuit.

ADDITIONAL DEFINITION FOR PART II: MEDICAL AND FUNERAL SERVICES PAYMENTS COVERAGE

“Insured” as used in **Part II** 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, or a **“trailer”** of any type; and
2. Any other person while **“occupying”** a **“covered auto”** with the permission of **“you”** or a **“family member”**.

EXCLUSIONS FOR PART II: MEDICAL AND FUNERAL SERVICES PAYMENTS COVERAGE (Read carefully. If any of the exclusions below apply, coverage will not be afforded under Part II.)

“We” do not provide Medical and Funeral Services Payments Coverage for any **“insured”** for **“bodily injury”**:

1. Sustained while **“occupying”** any motorized vehicle having fewer than four wheels.
2. Sustained while **“occupying”** a **“covered auto”** when it is being used as a public or livery conveyance, or used to carry property for compensation or a fee. This Exclusion 2 applies to, but is not limited to, the delivery of magazines, newspapers, food, or any other products. However, this Exclusion 2 does not apply to shared-expense car pools.
3. Sustained while **“occupying”** any vehicle located for use as a residence or premises, or for office or display purposes.
4. Occurring during the course of employment if workers’ compensation benefits are required or available for the **“bodily injury”**.
5. Sustained while **“occupying”**, or when struck by, any vehicle, other than a **“covered auto”**, which is:
 - A. **“Owned”** by **“you”**; or
 - B. Furnished or available for **“your”** regular use.
6. Sustained while **“occupying”**, or when struck by, any vehicle, other than a **“covered auto”**, which is:
 - A. **“Owned”** by any **“family member”**; or
 - B. Furnished or available for the regular use of any **“family member”**.This Exclusion 6 does not apply to **“you”**.
7. Sustained while **“occupying”** a vehicle without permission of its **“owner”** to do so. This Exclusion 7 does not apply to a **“family member”** using a **“covered auto”** which is **“owned”** by **“you”**.
8. Sustained while **“occupying”** any **“auto”** when it is being used in the **“business”** of an **“insured”**. This Exclusion 8 does not apply to **“bodily injury”** sustained by an **“insured”** if that **“business”** use has been disclosed to **“us”** and all applicable premiums have been paid.
9. Caused by or as a consequence of:

- A. Discharge of a nuclear weapon (even if accidental);
 - B. War (declared or undeclared);
 - C. Civil war;
 - D. Insurrection;
 - E. Rebellion or revolution; or
 - F. Any action taken by any governmental unit or by agents of any governmental unit to respond to, defend against, or otherwise taken to prevent or diminish the likelihood of an attack or perceived threat.
10. From or as a consequence of the following, whether controlled, uncontrolled, or however caused:
- A. Nuclear reaction;
 - B. Radiation;
 - C. Radioactive contamination; or
 - D. Bio-chemical attack, accidental or intentional discharge, or dispersal of harmful biological material, pathogenic, or other chemical or hazardous material, for any purpose other than its safe and useful purpose.
11. Sustained while ***“occupying”*** any vehicle competing in, or practicing or preparing for, any prearranged or organized racing or speed contest.
12. Sustained while ***“occupying”*** any vehicle located inside a facility designed for racing or high performance driving for the purpose of:
- A. Competing in;
 - B. Practicing or preparing for any prearranged or organized racing or speed contest, or
 - C. Participating in any racing school, driving school, driver training, skills training, race driving experience, or racing adventure program.
13. Sustained while ***“occupying”*** a ***“covered auto”*** when it is being used for the delivery of food or products, including, but not limited to, newspapers and magazines. This Exclusion **13** does not apply to a delivery by an ***“insured”*** as a volunteer.
14. While ***“occupying”*** a ***“covered auto”*** while it is leased or rented to others or provided in exchange for any form of compensation. This Exclusion **14** does not apply to ***“you”*** or a ***“family member”***.
15. That is intentional or self-inflicted by the ***“insured”*** or inflicted on an ***“insured”*** at the request of that ***“insured”***.
16. If the United States Government is liable under the Federal Tort Claims Act.
17. When other insurance is afforded, or would have been afforded, under a nuclear energy liability insurance but for the exhaustion of its limit of liability.

LIMIT OF LIABILITY

1. The limit of liability shown on the Declarations page for this coverage is ***“our”*** maximum limit of liability for each person injured in any one ***“accident”***. This is the most ***“we”*** will pay regardless of the number of:
- A. ***“Insureds”***;
 - B. Claims made;
 - C. Vehicles or premiums shown in the Declarations page; or
 - D. Vehicles involved in the ***“accident”***.

There will be no stacking or combining of coverage afforded to more than one ***“auto”*** under this policy.

2. No one will be entitled to receive duplicate payments for the same expenses under this coverage and:
 - A. **Part I: Liability Coverage;**
 - B. Any Uninsured Motorist Coverage provided in **Part III** by this policy; or
 - C. Any other motor vehicle medical payments or funeral services coverage.

OTHER INSURANCE

If there is other applicable auto medical payment insurance, “*we*” will pay only “*our*” share of the expenses. “*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 a vehicle “*you*” do not “*own*”, including any “*temporary substitutes*”, shall be excess over any other collectible auto insurance, self-insurance, bond providing payments for medical or funeral expenses.

PART III: UNINSURED MOTORIST COVERAGE

INSURING AGREEMENTS

Subject to the limits of liability, “*we*” agree with “*you*” as follows:

1. In return for payment of the premium, when due, for Uninsured Motorist Coverage for “*bodily injury*”, “*we*” will pay compensatory damages that an “*insured*” is legally entitled to recover from the “*owner*” or operator of an “*uninsured motor vehicle*” or “*underinsured motor vehicle*” because of “*bodily injury*”:
 - A. Sustained by an “*insured*”; and
 - B. Caused by an “*accident*”.For “*bodily injury*” caused by the “*owner*” or operator of an “*underinsured motor vehicle*”, “*we*” will pay under **Part III** only if:
 - A. The limits of liability under all “*bodily injury*” liability bonds and policies applicable to the “*underinsured motor vehicle*” have been exhausted by payment of judgments or settlements; or
 - B. After a tentative settlement has been made between an “*insured*” and the insurer of the “*underinsured motor vehicle*”, “*we*” have been given:
 - (1) Prompt written notice of such tentative settlement; and
 - (2) 30 days after receipt of such notice to advance payment to the “*insured*” in an amount equal to the tentative settlement.
2. In return for payment of the premium, when due, for Uninsured Motorist Coverage for “*property damage*”, “*we*” will pay compensatory damages that an “*insured*” is legally entitled to recover from the “*owner*” or operator of an “*uninsured motor vehicle*” because of “*property damage*” to a “*covered auto*”, that is caused by an “*accident*”, if:
 - A. There is direct physical contact between a “*covered auto*” and the “*uninsured motor vehicle*”;
 - B. The “*owner*” or operator of the “*uninsured motor vehicle*” has been identified, or the “*uninsured motor vehicle*” has been identified by its license number; and
 - C. The “*insured*” or someone on his or her behalf has reported the “*accident*” to “*us*” within 10 business days of the “*accident*”.
3. The liability of an “*owner*” or operator of a vehicle for damages for which coverage applies under **Part III** must arise out of the ownership, maintenance, or use of an “*uninsured motor vehicle*”.
4. Any settlement made, or judgment entered for damages arising out of a lawsuit brought, without “*our*” written consent is not binding on “*us*”.

ADDITIONAL DEFINITIONS FOR PART III: UNINSURED MOTORIST COVERAGE

When used in **Part III**:

1. ***“Insured”*** means:
 - A. The named insured(s);
 - B. The spouse or ***“registered domestic partner”*** of a named insured;
 - C. Any ***“family member”***;
 - D. Any other person ***“occupying”*** a ***“covered auto”*** with permission from ***“you”*** or a ***“family member”***; and
 - E. Any person for damages that person is entitled to recover because of ***“bodily injury”*** to which this coverage applies that has been sustained by an ***“insured”*** defined in 1.A., 1.B., or 1.C. above.
2. ***“Property damage”*** as used in **Part III** means physical damage to, or destruction of, a ***“covered auto”*** and any ***“child passenger restraint system”*** in use by a child in that ***“covered auto”*** at the time of the ***“accident”***. ***“Property damage”*** does not include:
 - A. Loss of use of a ***“covered auto”***; or
 - B. Physical damage to, or destruction of, any personal property contained in a ***“covered auto”*** other than a ***“child passenger restraint system”*** that:
 - (1) Meets the applicable federal motor vehicle safety standards; and
 - (2) Was in use by a child at the time of the ***“accident”*** for which this coverage applies.
3. ***“Underinsured motor vehicle”*** means a land motor vehicle of any type to which a bodily injury liability bond or policy applies at the time of the ***“accident”*** with ***“bodily injury”*** limits that are less than the ***“bodily injury”*** limits for Uninsured Motorist Coverage under this **Part III**. ***“Underinsured motor vehicle”*** does not include any vehicle or equipment:
 - A. Operated on rails or crawler treads.
 - B. Designed mainly for use off public roads.
 - C. While located for use as a residence or premises.
 - D. Shown on the Declarations page.
4. ***“Uninsured motor vehicle”*** means a land motor vehicle of any type:
 - A. To which no liability bond or policy applies at the time of the ***“accident”***;
 - B. Which, with respect to damages for ***“bodily injury”*** only, is an ***“underinsured motor vehicle”***;
 - C. Which is a hit-and-run vehicle whose operator or ***“owner”*** cannot be identified and which hits, and has physical contact with:
 - (1) ***“You”*** or any ***“family member”***;
 - (2) A vehicle which ***“you”*** or any ***“family member”*** are ***“occupying”***; or
 - (3) A ***“covered auto”***;provided that the ***“insured”***, or someone on his or her behalf:
 - (1) Reports the ***“accident”*** to the police, sheriff or local headquarters of the California Highway Patrol within 24 hours after the ***“accident”***; and
 - (2) Files with ***“us”*** within 30 days thereafter a statement under oath that the ***“insured”***, or the legal representative or heirs of the ***“insured”***, that the ***“insured”*** has a cause of action arising out of the ***“accident”*** against a person or persons whose identity is unascertainable, and set forth facts in support thereof.
 - D. To which a liability bond or policy applies at the time of the ***“accident”*** but the bonding or insuring company:
 - (1) Denies coverage;
 - (2) Refuses to admit coverage except conditionally or with reservation; or
 - (3) Is insolvent or becomes insolvent within one year of the ***“accident”***.

“Uninsured motor vehicle” does not include any vehicle or equipment:

A. That is:

(1) Furnished or available for the regular use of ***“you”***, a ***“family member”*** or a resident in ***“your”*** household; or

(2) ***“Owned”*** or operated by ***“you”*** or any ***“family member”***.

However, this does not apply if an ***“auto”*** ***“owned”*** by ***“you”*** or a ***“family member”*** causes ***“bodily injury”*** to an ***“insured”*** while being operated, or caused to be operated, by a person without the consent of the injured ***“insured”*** and in connection with criminal activity, if that criminal activity is documented in a police report and the injured ***“insured”*** is not a party to the criminal activity;

B. Operated on rails or crawler treads;

C. Designed mainly for use off public roads while off the public roads;

D. While located for use as a residence or premises;

E. That is ***“owned”*** or operated by a self-insured within the meaning of the Financial Responsibility Law of the state in which the motor vehicle is registered, other than a self-insured that is insolvent or becomes insolvent within one year of the ***“accident”***;

F. Owned by the United States of America, Canada, a state or political subdivision of any of those governments, or an agency of any of the foregoing; or

G. Shown on the Declarations page.

EXCLUSIONS FOR PART III: UNINSURED MOTORIST COVERAGE

(Read carefully. If any of the exclusions below apply, coverage will not be afforded under Part III.)

1. ***“We”*** do not provide coverage under **Part III** for ***“bodily injury”*** sustained:

A. By an ***“insured”*** while ***“occupying”***, or when struck by, any motor vehicle ***“owned”*** or operated by that ***“insured”*** or any resident of the same household, that is not a ***“covered auto”*** insured for this coverage under this policy. This includes a ***“trailer”*** of any type used with that vehicle.

B. By any ***“family member”*** while ***“occupying”*** or when struck by, any motor vehicle ***“own”*** or operated by that ***“insured”*** or any resident of the same household, that is insured for Uninsured Motorist Coverage on a primary basis under any other policy.

C. By an ***“insured”*** while ***“occupying”*** any motor vehicle other than a ***“covered auto”*** if the ***“owner”*** of that vehicle has insurance available with respect to that vehicle that provides uninsured motorist coverage or similar coverage on a primary basis.

2. ***“We”*** do not provide coverage under **Part III** for ***“bodily injury”*** sustained by any ***“insured”***:

A. If that ***“insured”*** or the legal representative settles the ***“bodily injury”*** claim without ***“our”*** prior written consent and such settlement prejudices ***“our”*** right to recover payment.

B. While ***“occupying”*** a ***“covered auto”*** when it is being used as a public or livery conveyance, or used to carry property for compensation or a fee. This Exclusion **2.B.** does not apply to a share-the-expense car pool.

C. While ***“occupying”*** any ***“auto”*** not ***“owned”*** by, or furnished or available for the regular use of, ***“you”*** or any ***“family member”*** when it is being used for public or livery purposes. This Exclusion (2)(C) does not apply to a share-the-expense car pool.

D. Using a vehicle without permission to do so. This Exclusion **2.D.** does not apply to a ***“family member”*** using a ***“covered auto”*** which is ***“owned”*** by ***“you”***.

E. If there has been no actual direct physical contact between the ***“uninsured motor vehicle”*** and:

1. ***“You”*** or a ***“family member”***; or

2. A motor vehicle the ***“insured”*** was ***“occupying”*** at the time of the ***“accident”***;

if the ***“owner”*** or operator of the ***“uninsured motor vehicle”*** is unknown and the license plate number of the ***“uninsured motor vehicle”*** cannot be identified.

3. “We” do not provide coverage under **Part III** for “*property damage*” sustained by any “*insured*” while “*occupying*”, or when struck by, any motor vehicle “*owned*” by “*you*” or any “*family member*” which is not a “*covered auto*” insured for this coverage under this policy.
4. “We” do not provide coverage under **Part III** for “*property damage*”:
 - A. To a motor vehicle operated by a person excluded from coverage under this policy under a Named Driver Exclusion; or
 - B. To a “*trailer*” of any type;
 - C. If there has been no actual, direct physical contact between the “*covered auto*” and “*uninsured motor vehicle*”;
 - D. Unless the “*owner*” or operator of the “*uninsured motor vehicle*”, or the license plate number of the “*uninsured motor vehicle*”, can be identified; or
 - E. To any other motor vehicle to the extent that there is valid and collectible Collision Coverage applicable to that damage under any other policy.
5. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:
 - A. Workers’ compensation law; or
 - B. Disability benefits law.
6. This coverage shall not apply directly or indirectly to benefit the United States, or any state or any political subdivision thereof.
7. “We” do not provide Uninsured Motorist Coverage for punitive or exemplary damages.
8. “We” do not provide Uninsured Motorist Coverage for “*bodily injury*” that results from:
 - A. Nuclear radiation, exposure, or contamination; or
 - B. Bio-chemical attack or exposure to bio-chemical agents.
9. No coverage applies under **Part III** for any “*insured*” who settles any claim with an uninsured or underinsured motorist without “*our*” written consent.

LIMIT OF LIABILITY

1. The limit of liability shown in the Declarations page for “*bodily injury*” for each person for Uninsured Motorist Coverage is “*our*” maximum limit of liability for all damages, including, but not limited to, damages for:
 - A. Loss of society;
 - B. Loss of companionship;
 - C. Loss of services;
 - D. Loss of consortium;
 - E. Wrongful death; or
 - F. Any claims recognized by law for distress or emotional trauma due to witnessing an “*accident*” or “*bodily injury*”;arising out of “*bodily injury*” sustained by any one person in any one “*accident*”. Subject to this limit for each person, the limit of liability shown on the Declarations page for each “*accident*” for “*bodily injury*” under Uninsured Motorist Coverage is “*our*” maximum limit of liability for all damages for “*bodily injury*” resulting from any one “*accident*”.

This is the most “*we*” will pay regardless of the number of:

- A. “*Insureds*”;
- B. Claims made;
- C. Vehicles or premiums shown in the Declarations page; or
- D. Vehicles involved in the “*accident*”.

There will be no stacking or combining of coverage afforded to more than one “*auto*” under this policy.

- 2. If “*you*” have purchased Collision Coverage under **Part IV**, the limit of liability under **Part III** for “*property damage*” arising out of one “*accident*” is the deductible amount, if any, to be paid by “*you*” under the Collision Coverage.
- 3. If “*you*” have not purchased Collision Coverage under **Part IV**, the limit of liability under **Part III** for “*property damage*” arising out of one “*accident*” is the lowest of:
 - A. The actual cash value of the “*covered auto*” at the time of the “*accident*”;
 - B. The amount necessary to replace the “*covered auto*”;
 - C. The amount necessary to repair the “*covered auto*” to its pre-loss condition; or
 - D. Three thousand five hundred dollars (\$3,500.00).If “*we*” do not repair the “*property damage*”, “*our*” payment under **Part III** shall be reduced by the salvage value if “*we*” allow “*you*” or the “*owner*” to retain the salvage and “*we*” have not made an adjustment for salvage under **Part IV**.
- 4. No one will be entitled to receive duplicate payments for the same elements of damages under this coverage and:
 - A. **Part I: Liability Coverage**;
 - B. **Part II: Medical and Funeral Services Payments Coverage**;
 - C. **Part IV: Coverage for Physical Damage to an Auto**; or
 - D. Any other source.
- 5. “*We*” will not make a duplicate payment under this coverage for any element of damages:
 - A. For which payment has been made by or on behalf of persons or organizations who may be legally responsible; or
 - B. Paid or payable because of “*bodily injury*” under any auto medical payments insurance or coverage, including, but not limited to, all sums under **Part II**.
- 6. “*We*” will not pay for any element of damages if the “*insured*” is entitled to receive payment for the same element of damages under any of the following or similar law:
 - A. Workers’ compensation law;
 - B. Disability benefits law; or
 - C. Any similar self-insured or government plan.
- 7. “*Our*” limit of liability for “*bodily injury*” under **Part III** shall be reduced by all sums paid for “*bodily injury*” by or on behalf of persons or organizations who may be legally responsible, including payments made under **Part I**.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the Uninsured Motorist Coverage provided in this section, “*we*” will only pay “*our*” share of the damages. “*Our*” share is the proportion that “*our*” limit of liability provided in this **Part III** bears to the total of all applicable limits on either a primary or excess basis. However:

1. Any recovery for damages under all policies or provisions of coverage may equal, but not exceed, the highest applicable limit for any one vehicle under any one insurance policy providing coverage on either a primary or excess basis.
2. Any insurance “we” provide with respect to a vehicle “you” do not “own”, including any temporary substitute, shall be excess over any collectible insurance providing such coverage on a primary basis.
3. If more than one policy issued by “us” and/or an affiliated insurer provides coverage to an “insured” for “bodily injury” caused by an “uninsured motor vehicle”, that “insured” shall select and recover under only the coverage under one policy for one “auto” issued by “us” or an affiliated company. Only the one policy selected by the “insured” shall apply and no coverage will be provided by any of the other policies issued by “us” or an affiliated company. The limit of liability under **Part III** for one “auto” may not be added, combined, or stacked together with similar coverage under any other policy issued by “us” or an affiliated company for “bodily injury” sustained by an “insured” in an “accident”.

ARBITRATION

1. If “we” and an “insured” do not agree:
 - A. Whether that “insured” is legally entitled to recover damages; or
 - B. As to the amount of damages which are recoverable by that “insured” from the “owner” or operator of an “uninsured motor vehicle”;the dispute may be arbitrated if either party demands or submits a petition for arbitration. Disputes concerning coverage under **Part III** may not be arbitrated. Any demand or petition for arbitration shall contain a declaration, under penalty of perjury, stating whether:
 - A. The insured has a workers' compensation claim;
 - B. The claim has proceeded to findings and award or settlement on all issues reasonably contemplated to be determined in that claim, and if not, what reasons amounting to good cause are grounds for the arbitration to proceed immediately.

Upon demand for arbitration, the parties shall select a single neutral arbitrator. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

With respect to “property damage”, arbitration proceedings must be formally instituted by the “insured” within 1 year from the date of the “accident”.

2. Each party will:
 - A. Pay the expenses it incurs; and
 - B. Share the expenses of the neutral arbitrator equally.
3. Unless both parties agree otherwise, arbitration will take place in the county in which the “insured” lives at the time of the “accident”. Arbitration shall be concluded within five years from the institution of the arbitration proceeding unless:
 - A. The parties stipulate in writing to extending the time to conclude arbitration; or
 - B. The insured has a workers' compensation claim arising from the same “accident”, in which case arbitration shall be concluded within three years of the date the workers' compensation claim is concluded.
4. The California Code of Civil Procedure shall apply as to procedure and evidence.
5. A decision agreed to by at least two of the arbitrators will be binding as to:
 - A. Whether the “insured” is legally entitled to recover damages; and
 - B. The amount of damages.

6. The arbitrators shall have no authority to:
 - A. Award any amount in excess of the limit of liability;
 - B. Award any amount as punitive or exemplary damages;
 - C. Award any amount as interest;
 - D. Award any costs or attorneys' fees;
 - E. Make any determination as to questions of law; or
 - F. Make any determination as to questions of coverage under this policy.
7. Any question as to whether **Part III** of this policy provides coverage for any specific **"accident"** or **"insured"**, and all other questions involving coverage under this policy, shall be determined by the Superior Court of California and not by arbitration. If **"we"** deny coverage for an **"insured"** or an **"accident"**, no one shall be entitled to compel **"us"** to arbitrate any claim under **Part III** until coverage is determined by the Superior Court of California unless **"we"** waive **"our"** rights in writing and voluntarily consent to resolution of the coverage issue by binding arbitration.

ADDITIONAL DUTIES

A person seeking coverage under **Part III** must also promptly do the following:

1. Send **"us"** copies of the legal papers if a lawsuit is brought.
2. Promptly notify **"us"** in writing of a tentative settlement between the **"insured"** and the insurer of an **"underinsured motor vehicle"** or the **"owner"** or operator of an **"uninsured motor vehicle"**.
3. Allow **"us"** 30 days after **"we"** receive notice of a tentative settlement to advance payment to that **"insured"** in an amount equal to the tentative settlement so that **"we"** may preserve **"our"** rights against the insurer, **"owner"**, or operator of such **"uninsured motor vehicle"**.
4. Notify the police within 24 hours or as soon as practical after the **"accident"** if a hit-and-run or unidentified driver is involved, and report the **"accident"** to **"us"** within 30 days of the **"accident"**.

PART IV: COVERAGE FOR PHYSICAL DAMAGE TO AN AUTO

INSURING AGREEMENT – COLLISION COVERAGE

1. Subject to the limits of liability, if **"you"** pay the premium for Collision Coverage, **"we"** will pay for a sudden, direct, and accidental **"loss"** to:
 - A. **"Your"** **"covered auto"** for which Collision Coverage has been purchased, as stated in **"your"** Declarations page;
 - B. A **"non-owned auto"**; or
 - C. A **"trailer"** titled to **"you"**;if it overturns or is in a **"collision"** with another object.
2. If there is a **"loss"** to a **"non-owned auto"**, **"we"** will provide the broadest Collision Coverage applicable to any of **"your"** **"covered autos"** shown on **"your"** Declarations page.
3. In addition, **"we"** will pay the reasonable cost to replace any **"child passenger restraint system"** damaged in an **"accident"** to which this coverage applies.

INSURING AGREEMENT – COMPREHENSIVE COVERAGE

1. Subject to the limits of liability, if **"you"** pay the premium for Comprehensive Coverage, **"we"** will pay for a sudden, direct, and accidental **"loss"** to:

- A. ***“Your” “covered auto”*** for which Comprehensive Coverage has been purchased, as stated in ***“your”*** Declarations page;
 - B. A ***“non-owned auto”***; or
 - C. A ***“trailer”*** titled to ***“you”***.
2. Comprehensive Coverage includes, but is not limited to, a ***“loss”*** caused by the following:
- A. Missiles or falling objects;
 - B. Fire;
 - C. Theft or larceny;
 - D. Explosion or earthquake;
 - E. Windstorm;
 - F. Hail, water, or flood;
 - G. Malicious mischief or vandalism;
 - H. Riot or civil commotion;
 - I. Contact with bird or animal; or
 - J. Breakage of glass.
- If breakage of glass is caused by a ***“collision”***, ***“you”*** may elect to have it considered a ***“loss”*** caused by ***“collision”***.

ADDITIONAL DEFINITIONS FOR PART IV: COVERAGE FOR PHYSICAL DAMAGE TO AN AUTO

When used in **Part IV**:

1. ***“Custom parts and equipment”*** means any equipment, devices, accessories, enhancements, and changes, other than those that are original manufacturer installed, which alter the appearance or performance of a vehicle, and includes, but is not limited to:
- A. Stereo, sound reproducing, sound recording, and television equipment;
 - B. Radios, citizens band radios and scanners;
 - C. Personal computers, Internet access and navigation systems;
 - D. Telephones, televisions, and video entertainment systems;
 - E. Body, engine, exhaust, or suspension enhancers;
 - F. Winches, anti-roll, or anti-sway bars;
 - G. Custom grilles, louvers, side pipes, hood scoops, or spoilers;
 - H. Custom wheels, tires, or spinners;
 - I. Custom chrome and paint;
 - J. Special carpeting or insulation;
 - K. Furniture or bars;
 - L. Height-extending roofs; or
 - M. Custom murals, paintings, or other decals or graphics.
2. ***“Collision”*** means the upset of a ***“covered auto”*** or a ***“non-owned auto”*** or their impact with another vehicle or object.
- “Collision”*** does not include ***“loss”*** caused by the following, which shall be considered as ***“loss”*** caused by other than ***“collision”***:
- A. Missiles or falling objects;
 - B. Fire;
 - C. Theft or larceny;
 - D. Explosion or earthquake;
 - E. Windstorm;
 - F. Hail, water, or flood;
 - G. Malicious mischief or vandalism;

- H. Riot or civil commotion;
- I. Contact with bird or animal; or
- J. Breakage of glass.

If breakage of glass is caused by a *“collision”*, *“you”* may elect to have it considered a *“loss”* caused by *“collision”*.

3. *“Diminution in value”* means the actual or perceived loss in market value that results from a direct and accidental *“loss”*.
4. *“Non-owned auto”* means any:
 - A. Private passenger *“auto”*; or
 - B. Pickup or van that has a Gross Vehicle Weight Rating (as determined by the manufacturer) of 10,000 lbs. or less;
 that is not *“owned”* by or furnished or available for the regular use of *“you”* or any *“family member”*, while in the custody of or being operated by *“you”* with the permission of its *“owner”*.

RENTAL REIMBURSEMENT COVERAGE

1. Subject to the limits of liability, if *“you”* pay the premium for Rental Reimbursement Coverage, *“we”* will reimburse rental charges incurred when *“you”* rent an *“auto”* from a rental agency or auto repair shop due to a *“loss”* to a *“covered auto”*. This coverage applies only if *“you”* have purchased both Collision Coverage and Comprehensive Coverage for that *“covered auto”* and the *“loss”* is covered under one of those coverages.
2. The maximum *“we”* will pay is the daily amount and total incident amount shown on the Declarations page.
3. If the *“loss”* is not due to a total theft:
 - A. Reasonable 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 shop for repairs due to the *“loss”*.
 - B. Reasonable rental charge reimbursement will end at the earliest of the following:
 - (1) When *“your” “covered auto”* has been returned to *“you”*;
 - (2) When *“your” “covered auto”* has been repaired or after a reasonable time in which *“your” “covered auto”* could have been repaired;
 - (3) When *“your” “covered auto”* has been replaced;
 - (4) If *“your” “covered auto”* is deemed by *“us”* to be a total loss, 48 hours after *“we”* make an offer to pay the applicable limit of liability under this **Part IV**; or
 - (5) When *“you”* incur 30 days of rental charges.
4. If the *“loss”* is due to a total theft, reasonable rental charges will be reimbursed beginning 48 hours after the total theft, and ends the earliest of:
 - A. When *“your” “covered auto”* or *“non-owned auto”* is returned to *“you”* or its owner;
 - B. When *“your” “covered auto”* or *“non-owned auto”* has been recovered and repaired or after a reasonable time in which *“your” “covered auto”* could have been repaired;
 - C. When *“your” “covered auto”* or *“non-owned auto”* has been replaced;
 - D. If *“your” “covered auto”* is deemed by *“us”* to be a total loss, 48 hours after *“we”* make an offer to pay the applicable limit of liability under this **Part IV**; or
 - E. When *“you”* incur 30 days worth of reasonable rental charges.
5. *“You”* must provide *“us”* written proof of *“your”* reasonable rental charges to be reimbursed.

CUSTOM PARTS AND EQUIPMENT COVERAGE

1. Subject to the stated limit of liability, if *“you”* pay the premium for Custom Parts and Equipment Coverage, *“we”* will pay for a sudden, direct and accidental *“loss”* to *“your” “custom parts and equipment”* that is not

otherwise covered by Collision Coverage or Comprehensive Coverage, reduced by any applicable deductible shown in the Declarations page.

2. With respect to a vehicle for which the Declarations page indicates that Custom Parts and Equipment Coverage applies, ***“our”*** limit of liability for ***“loss”*** for ***“custom parts and equipment”*** will be the lesser of the following:
 - A. The actual cash value of the stolen or damaged property;
 - B. The amount necessary to repair the property to its pre-loss physical condition;
 - C. The amount necessary to replace the property with other property of like kind and quality; or
 - D. The applicable limits of liability elected by ***“you”*** and shown in the Declarations page.
3. ***“You”*** are required to provide proof of purchase for all ***“custom parts and equipment”***. Examples of proof of purchase include receipts listing the parts and cost, bills of sale listing the parts or cost invoice for the parts listing the cost.

TOWING AND LABOR COVERAGE

1. Subject to the limit of liability, if ***“you”*** pay the premium payment for Collision Coverage and Towing and Labor Coverage, ***“we”*** will pay for the following services each time a ***“covered auto”*** for which these coverages have been purchased, or a ***“non-owned auto”***, is disabled:
 - A. Towing;
 - B. Tire changing;
 - C. Gas, oil, and water delivery;
 - D. Battery services; and
 - E. Lockout services.
2. ***“We”*** will only provide Towing and Labor Coverage up to the limit shown in the Declarations page as applicable to that vehicle, and subject to the following:
 - A. ***“We”*** will only pay for necessary labor performed at the place of disablement; and
 - B. If a ***“non-owned auto”*** is disabled, ***“we”*** will provide the broadest coverage applicable to any ***“covered auto”*** shown in the Declarations page.
3. ***“We”*** will not pay Towing and Labor Coverage for any of the following:
 - A. Installation of products or material not related to the disablement;
 - B. Labor not related to the disablement;
 - C. Labor or repair work performed at a service station, garage, or repair shop;
 - D. Repeated service calls for a covered disabled vehicle in need of routine maintenance or repair;
 - E. Disablement that results from an intentional or willful act or action by ***“you”***, a ***“family member”*** or the operator of the disabled ***“auto”***; or
 - F. A ***“trailer”*** of any kind.

AUTO LOAN/LEASE COVERAGE

1. If ***“you”*** pay the premium for Auto Loan/Lease Coverage for a ***“covered auto”*** and that ***“covered auto”*** sustains a total loss, ***“we”*** will pay any unpaid amount due on the lease or loan for that ***“covered auto”*** reduced by:
 - A. The amount paid under **Part IV: Coverage for Physical Damage to an Auto** of the policy; and
 - B. Any:
 - (1) Overdue lease/loan payments at the time of the ***“loss”***;
 - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear, or high mileage;
 - (3) Security deposits not refunded by a lessor;

- (4) Costs for extended warranties, Credit Life insurance, Health, Accident, or Disability insurance purchased with the loan or lease or refunds due **“you”**;
 - (5) Carry-over balances from previous loans or leases;
 - (6) Collection or repossession expenses; and
 - (7) Salvage value if **“you”** retain salvage.
- 2. **“Our”** payment shall not exceed twenty-five percent (25%) of the actual cash value of the **“covered auto”** at the time of the total loss. **“We”** may pay **“you”** and the lessor or lienholder named on the Declarations page.
 - 3. This coverage only applies for a **“covered auto”** for which **“you”** have purchased Auto Loan/Lease Coverage, Collision Coverage, and Comprehensive Coverage.

EXCLUSIONS FOR PART IV: COVERAGE FOR PHYSICAL DAMAGE TO AN AUTO
(Read carefully. If any of the exclusions below apply, coverage will not be afforded under Part IV.)

“We” will not provide coverage for:

- 1. **“Loss”** to a **“covered auto”** or any **“non-owned auto”** that occurs while it is being used as a public or livery conveyance, or used to carry property for compensation or a fee. This Exclusion 1 applies to, but is not limited to, the delivery of magazines, newspapers, food or any other products. However, this Exclusion 1 does not apply to a share-the-expense car pool.
- 2. Damage resulting from and limited to:
 - A. Wear and tear;
 - B. Freezing;
 - C. Mechanical or electrical breakdown or failure; or
 - D. Road damage to tires.This Exclusion 2 does not apply if the damage results from the total theft of a **“covered auto”** or any **“non-owned auto”**.
- 3. **“Loss”** due to exposure or as a result of:
 - A. The discharge or release of radioactive materials or contamination;
 - B. A radioactive or nuclear event for which insurance is or can be afforded under a nuclear energy liability insurance policy;
 - C. War (declared or undeclared), including civil war;
 - D. Warlike action by the government or other authority using military personnel or agents. This includes action taken to hinder or defend against an actual or expected attack; or
 - E. Insurrection, rebellion or revolution.
- 4. **“Loss”** to any electronic equipment that reproduces, receives, or transmits audio, visual, or data signals. This includes, but is not limited to:
 - A. Radios and stereos;
 - B. Tape decks;
 - C. Compact disk systems;
 - D. Navigation systems;
 - E. Internet access systems;
 - F. Personal computers;
 - G. Video entertainment systems;
 - H. Telephones;
 - I. Televisions;
 - J. Two-way mobile radios;

- K. Scanners; or
- L. Citizens band radios.

This Exclusion 4 does not apply to Custom Parts and Equipment Coverage or to electronic equipment that is permanently installed in a **“covered auto”** or any **“non-owned auto”** by the automobile’s manufacturer.

- 5. **“Loss”** to tapes, records, disks, or other media used with equipment described in Exclusion 4.
- 6. **“Loss”** to equipment designed or used for the detection or location of radar or laser.
- 7. A total loss to a **“covered auto”** or any **“non-owned auto”** due to destruction, confiscation, or seizure by governmental or civil authorities. This Exclusion 7 does not apply to the interests of Loss Payees in a **“covered auto”**.
- 8. **“Loss”** to facilities or equipment used with **“your” “trailer”** including but not limited to:
 - A. Cooking, dining, plumbing, or refrigeration facilities;
 - B. Awnings or cabanas; and
 - C. Any other facilities or equipment used with a **“trailer”**, camper body, or motor home.

This exclusion does not apply to a **“child passenger restraint system”** that was in use by a child during an **“accident”** to which this coverage applies.

- 9. **“Loss”** to any **“non-owned auto”** when used by **“you”** or any **“family member”** without permission of the **“owner”** to do so.
- 10. **“Loss”** to any custom furnishings or equipment in or upon any **“covered auto”** or any **“non-owned auto”**. Custom furnishings or equipment include, but are not limited to equipment, devices, accessories, enhancements, and changes, other than those which are original manufacturer installed, which alter the appearance or performance of a vehicle. This includes, but is not limited to:
 - A. Body, engine, exhaust, or suspension enhancers;
 - B. Winches, anti-roll, or anti-sway bars;
 - C. Custom grilles, louvers, side pipes, hood scoops, or spoilers;
 - D. Custom wheels, tires, or spinners;
 - E. Custom chrome and paint;
 - F. Special carpeting or insulation;
 - G. Furniture or bars;
 - H. Height-extending roofs; or
 - I. Custom murals, paintings, or other decals or graphics.

This Exclusion 10 does not apply to:

- A. **“Loss”** to **“custom parts or equipment”** to which Custom Parts and Equipment Coverage applies; or
 - B. To a cap, cover, or bed-liner in or upon any **“covered auto”** that is a pickup.
- 11. **“Loss”** to any **“non-owned auto”** being maintained or used by any person while employed or otherwise engaged in the **“business”** of:
 - A. Selling or leasing;
 - B. Repairing;
 - C. Servicing;
 - D. Testing;
 - E. Delivering;
 - F. Cleaning;
 - G. Storing;
 - H. Parking; or
 - I. Towing;vehicles designed for use on public highways.

12. **“Loss”** to any vehicle located inside a facility designed for racing or high performance driving for the purpose of:
- A. Competing in;
 - B. Practicing or preparing for any prearranged or organized racing or speed contest; or
 - C. Participating in any racing school, driving school, driver training, skills training, race driving experience, or racing adventure program.
13. **“Loss”** sustained while a **“covered auto”** or **“non-owned auto”** is being used in practicing or preparing for any prearranged, organized, or spontaneous street racing, speed, distance contest, stunting, or demolition contest activity.
14. **“Loss”** to, or loss of use of, a **“non-owned auto”** rented by:
- A. **“You”**; or
 - B. Any **“family member”**;
- if a rental vehicle company is precluded from recovering such **“loss”** or loss of use from **“you”** or that **“family member”** pursuant to the provisions of any applicable rental agreement or state law.
15. **“Loss”** to a **“covered auto”** or **“non-owned auto”** for **“diminution in value”**.
16. **“Loss”** to a **“covered auto”**, **“non-owned auto”**, or **“trailer”** that is intended or is caused intentionally by a willful act by **“you”**, a **“family member”**, or its **“owner”**, or at the direction of **“you”**, a **“family member”**, or its **“owner”**. This Exclusion 16 will not apply to the extent of the legal interest of **“you”** or a **“family member”** who sustain the **“loss”** as the result of domestic violence if:
- A. The applicable state law protects that interest;
 - B. That person has not participated in, contributed to, directed, or consented to the intentional act causing the **“loss”**;
 - C. A family violence complaint has been filed with the appropriate law enforcement authorities; and
 - D. That person cooperates in any investigation relating to the **“loss”**.
17. **“Loss”** to a **“covered auto”**, **“non-owned auto”**, or **“trailer”** resulting from the intentional discharge, dispersal, or release of radioactive, nuclear, biological, chemical, or other hazardous materials, for any purpose other than its safe and useful purpose.
18. **“Loss”** to a **“covered auto”**, **“non-owned auto”**, or **“trailer”** while it is leased or rented to others, or provided in exchange for any form of compensation.
19. **“Loss”** to a **“covered auto”** or **“trailer”** while it is in the care, custody, or control of anyone engaged in the **“business”** of selling the **“covered auto”** or **“trailer”**.
20. **“Loss”** to personal property that is not permanently attached to the **“covered auto”**, **“non-owned auto”**, or **“trailer”**.

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;
 - B. Amount necessary to repair the property to its pre-loss physical condition; or
 - C. Amount necessary to replace the property with other property of like kind and quality.
- However, the most **“we”** will pay for **“loss”** to:

- A. Electronic equipment that reproduces, receives, or transmits audio, visual, or data signals, which is permanently installed in the “*auto*” but not by the “*auto*” manufacturer or in the factory, is \$1,000, unless increased coverage is purchased; and
 - B. A “*trailer*” is \$1,000.
2. An adjustment for depreciation and physical condition, which may also be referred to as betterment, wear and tear, or prior damage, will be made in determining actual cash value in the event of a total loss.
 3. If a repair or replacement results in better than like kind or quality, “*we*” will not pay for the amount of the betterment.
 4. Any payment for damaged property will be reduced by the applicable deductible shown on “*your*” Declarations page and by the salvage value if “*you*” or the “*owner*” retain the salvaged property.
 5. If coverage applies to a “*non-owned auto*”, “*we*” will provide the broadest coverage applicable to any “*auto*” shown on the Declarations page. However, the highest deductible on any “*covered auto*” shall apply.
 6. In determining the amount necessary to repair damaged property, the amount to be paid by “*us*” will be based on the cost of repair or 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-original manufacturer parts or equipment.
 7. No one will be entitled to duplicate payments for any elements of damages under this policy or any other source.
 8. Payment under **Part IV** due to theft of an “*auto*” is conditioned upon transfer of the title to “*us*” if “*we*” make a demand for the title.
 9. If “*you*” agree to have a damaged windshield repaired, “*we*” shall have no duty to replace that windshield or pay any other amount with regard to that windshield “*loss*” after repair.

PAYMENT OF LOSS

“*We*” may, at “*our*” expense, return any stolen property to:

1. “*You*”; or
2. The address shown on the Declarations page.

If “*we*” return stolen property, “*we*” will pay for any damage resulting from the theft. “*We*” may keep all or part of the property at an agreed or appraised value.

“*We*” may pay for a “*loss*” in money or repair or replace the damaged or stolen property. If “*we*” pay for “*loss*” in money, “*our*” payment will include the applicable sales tax for the damaged or stolen property.

LOSS PAYABLE CLAUSE

1. A total loss or damage under this policy shall be paid, as interest may appear, to “*you*” and the loss payee shown on the Declarations page or in an endorsement. However, with “*your*” consent, “*we*” may pay a repair facility directly for the repair of a partial loss covered under this **Part IV**.

2. If “we” determine that fraud, material misrepresentation, material omission, or an intentional act causing damage or in connection with any claim, was committed by or at the direction of “you” or a “family member”, the interest of the loss payee will not be protected for any related or resulting “loss”.
3. “We” reserve the right to cancel, rescind or nonrenew this policy, and any cancellation, rescission or nonrenewal shall terminate all agreements as to the loss payee’s interest. Any rescission of this policy will void the coverage ab initio (from inception) as to “you”, “family members”, lienholders, loss payees and all other interests. “We” will give the same notice of cancellation or rescission to the loss payee as “we” give to the named insured shown on the Declarations page. When “we” pay the loss payee, “we” shall, to the extent of payment, be subrogated to the loss payee’s rights of recovery.

NO BENEFIT TO BAILEE

Coverage provided by this insurance policy shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

When there are other sources of recovery or applicable 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 a “non-owned auto” shall be excess over any other collectible source of recovery including, but not limited to:

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

APPRAISAL

1. If “we” and “you” do not agree on the amount of “loss”, either party may demand an appraisal of the “loss”. If a demand is made, each party will select a competent and impartial appraiser. The two appraisers will select an impartial and qualified umpire. Each appraiser will state separately the actual cash value and the amount of loss. In the event of a disagreement, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
 - A. Pay its chosen appraiser; and
 - B. Bear the expenses of the appraisal and umpire equally.
2. Neither party waives any rights under this policy by agreeing to an appraisal.

PART V: INSURED’S DUTIES AFTER AN ACCIDENT OR LOSS

“We” have no duty to provide coverage under this policy if an “insured” fails to comply with the following duties and “our” rights or interests are prejudiced:

1. “We” must be notified promptly of how, when, and where the “accident” or “loss” happened. Notice must be provided to “us” no later than 20 days after the “accident” or “loss” and shall also include:
 - A. The names and addresses of any injured persons and of any witnesses;
 - B. All facts and circumstances, including weather conditions and a description of injuries; and
 - C. The license plate numbers and descriptions of the vehicles involved.
2. “You”, members of “your” “household”, and any person seeking any coverage must:
 - A. Cooperate with “us” in the investigation, settlement, and defense of any claim or lawsuit.

- B. Promptly send **“us”** copies of any notices or legal papers received in connection with the **“accident”** or **“loss”**.
 - C. Submit, as often as **“we”** reasonably require, to physical exams paid for by **“us”** and conducted by doctors or medical providers **“we”** select.
 - D. Allow **“us”** to take signed and recorded statements, including statements and examinations under oath, and answer all questions **“we”** ask as often as **“we”** may reasonably require. **“We”** may require that statements and examinations be conducted outside of **“your”** presence or the presence of witnesses or other persons seeking coverage or benefits under this policy.
 - E. Authorize **“us”** to obtain:
 - (1) Medical records and reports;
 - (2) Data contained in an Event Data Recorder or similar device;
 - (3) Employment and wage records; and
 - (4) Other relevant records, including, but not limited to:
 - (a) Electronic records;
 - (b) Business and financial records;
 - (c) Audio and video recordings;
 - (d) Phone records including cellular records;
 - (e) Computer records;
 - (f) Current and prior insurance claims records;
 - (g) Global Positioning System (GPS) data records; and
 - (h) Loss payee records.
 - F. Submit a proof of loss when required by **“us”**.
3. A person seeking Coverage for Physical Damage to an Auto must also:
- A. Take reasonable steps after the **“loss”** to protect the **“covered auto”** or **“non-owned auto”** and their equipment from further **“loss”**. **“We”** will pay reasonable expenses incurred to do this.
 - B. Promptly notify the police if a **“covered auto”** or **“non-owned auto”** is stolen.
 - C. Permit **“us”** to inspect, photograph, and appraise the damaged property before its repair or disposal.
 - D. Authorize **“us”** to move the damaged **“auto”** and/or **“trailer”** to a storage facility of **“our”** choice at **“our”** expense.

PART VI: GENERAL PROVISIONS APPLICABLE TO ALL COVERAGE

BANKRUPTCY

Bankruptcy or insolvency of **“you”**, a **“family member”** or any other person who is an **“insured”** under **Part I** shall not relieve **“us”** of any obligations under this policy. If execution of a judgment against an **“insured”** is returned unsatisfied because of the bankruptcy or insolvency of the **“insured”**, a person claiming damages under **Part I** may maintain an action against **“us”** for the amount of the judgment, subject to the terms and conditions of this policy and not exceeding **“our”** Limits of Liability under **Part I**.

CHANGES

1. This policy, **“your”** Application, the terms and conditions **“you”** have expressly agreed to, the Declarations page, as may be amended from time-to-time, and Endorsements issued by **“us”**, contains all the agreements between **“you”** and **“us”**. Its terms may not be changed or waived except by an endorsement issued by **“us”**.
2. If there is a change to the information used to calculate the policy premium, **“we”** may adjust or increase **“your”** premium. Changes during the policy term that may result in a premium increase or decrease at any time include, but are not limited to, changes in:

- A. The number, type, or use classification of insured vehicles;
 - B. Operators using insured vehicles;
 - C. The place of principal garaging of insured vehicles;
 - D. Coverage, deductible, or limits; or
 - E. The use of a ***“covered auto”***.
3. Changes that may result in nonrenewal or a premium increase at renewal include, but are not limited to:
- A. A person insured under this policy is involved in an ***“accident”***;
 - B. Conviction of ***“you”*** or a ***“family member”*** for violating any provision of the Vehicle Code or the Penal Code relating to the operation of a motor vehicle; or
 - C. ***“Our”*** payment of any claim under this policy.

If a change resulting from Provision **1**, **2** or **3** above requires a premium adjustment, ***“we”*** will make the premium adjustment in accordance with ***“our”*** rating rules.

3. If ***“we”*** make a change which broadens coverage under this edition of ***“your”*** policy without an additional premium charge, then that change will automatically apply to ***“your”*** policy as of the date ***“we”*** implement the change in ***“your”*** state. This Provision **3** does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
- A. A subsequent edition of ***“your”*** policy; or
 - B. An Amendatory Endorsement.

FRAUD OR MISREPRESENTATION

This policy was issued in reliance upon the information provided on ***“your”*** insurance application. ***“We”*** may void this policy if ***“you”*** or an ***“insured”*** person:

- 1. Made any misrepresentations to ***“us”*** with regard to any fact or circumstance material to the application, ***“our”*** acceptance of the risk, or ***“our”*** determination of the rate for the risk;
- 2. Concealed or any fact or circumstance material to the application, ***“our”*** acceptance of the risk, or ***“our”*** determination of the rate for the risk; or
- 3. Engaged in fraudulent conduct at the time of application.
- 4. ***“We”*** shall have the right to void or rescind this policy for all misrepresentations and omissions described in **1**, **2** and **3** above, whether made intentionally or innocently.

“We” may void this policy due to fraud, or a misrepresentation, or omission of a material fact in the submission or pursuit of a claim; even after the occurrence of an ***“accident”*** or ***“loss”***. This means that ***“we”*** will not be liable for any claims or damages that would otherwise be covered. If ***“we”*** void a policy in accordance with this provision it will be voided from its inception. However, if ***“we”*** fail to investigate within a reasonable time of taking the Application and discover a material misrepresentation, ***“we”*** will provide coverage under **Part I**, but only up to the minimum limits required by the financial responsibility law for damages sustained by an innocent third-party in an ***“accident”*** that has occurred before ***“we”*** notify the named insured that the policy has been declared void.

“We” do not provide coverage or benefits for any person who has made fraudulent statements or engaged in fraudulent conduct in connection with any ***“accident”*** or ***“loss”*** for which coverage or benefits are sought under this policy.

LEGAL ACTION AGAINST US

1. 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 I: Liability Coverage**, no legal action may be brought against **"us"** until:
 - A. **"We"** agree in writing that the person who is an **"insured"** under **Part I** has an obligation to pay; or
 - B. The amount of that obligation has been finally determined by judgment after trial.
2. No person or organization has any right under this policy to bring **"us"** into any action to determine the liability of a person who is an **"insured"** under **Part I**.
3. There can be no abandonment to **"us"** of any **"auto"** or **"trailer"**. **"We"** have no duty to preserve or retain salvage for any purpose, including for use as evidence in any civil or criminal proceeding. When **"we"** salvage, sell or otherwise dispose of an **"auto"** or other property damaged or destroyed in an **"accident"**, **"we"** have no liability for spoliation of evidence in any lawsuit.

OUR RIGHT TO RECOVER PAYMENT – SUBROGATION

1. 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. **"Our"** right shall be the first priority right of recovery out of all proceeds recovered from the tortfeasor, regardless of whether the insured has been first made whole. **"Our"** recovery is subject to no more than a pro rata share of the reasonable expenses incurred for attorney fees to recover such sums. That person to or for whom payment was made shall do:
 - A. Whatever is necessary to enable **"us"** to exercise **"our"** rights; and
 - B. Nothing after an **"accident"** or **"loss"** to prejudice **"our"** rights.

However, **"our"** rights in this Provision 1 do not apply:

- A. Under **Part IV: Coverage for Physical Damage to an Auto**, against any person using a **"covered auto"** with permission of the **"owner"** to do so; or
- B. With respect to Uninsured Motorist Coverage if **"we"**:
 - (1) Have been given prompt written notice of a tentative settlement between a person who is an **"insured"** under **Part III** and the insurer, **"owner"**, or operator of an **"uninsured motor vehicle"**; and
 - (2) Do not agree within 30 days after **"our"** receipt of notice to advance payment to the **"insured"** in an amount equal to the tentative settlement offered.If **"we"** advance payment to the **"insured"** in an amount equal to the tentative settlement within 30 days after receipt of notice:
 - (1) That payment will be separate from any amount the **"insured"** is entitled to recover under the provisions of Uninsured Motorist Coverage; and
 - (2) **"We"** have a first priority right to recover the advanced payment, from the first dollar of any recovery made from the liable tortfeasors and their insurers.

2. If **"we"** make any payment under Uninsured Motorist Coverage and the person to or for whom payment was made has a right to recover damages from the **"owner"** or operator of an **"uninsured motor vehicle"**, **"we"** shall be subrogated to that right and have the first dollar priority right to any sums recovered from a liable tortfeasor. That person shall do:
 - A. Whatever is necessary to enable **"us"** to exercise **"our"** rights; and
 - B. Nothing after an **"accident"** to prejudice **"our"** rights.
3. **"We"** have no right of recovery against the driver or operator of an **"uninsured motor vehicle"** if **"we"** have consented in writing to a settlement between that person and an **"insured"** under **Part III**.

4. If “we” seek recovery from a liable party, “we” shall be authorized by “you” to also seek recovery of any applicable deductible, and “you” agree to be bound on a pro rata basis to any compromise settlement agreement entered into by “us” with the liable party or the outcome of any arbitration “we” enter into for those sums. “We” shall share subrogation recovery of the amounts paid under **Part IV** and the deductible on a proportionate basis with “you” unless “you” have otherwise recovered the whole deductible amount.

POLICY PERIOD AND TERRITORY

1. This policy applies only to “accidents” and “loss” that occur:
 - A. After 12:01 a.m. on the inception date shown in the Declarations page, or the time this policy was purchased, whichever is later; and
 - B. After it becomes effective but prior to cancellation, termination or 12:01 a.m. on the termination date shown on the Declarations page, whichever is earlier; and
 - C. Within the policy territory.
2. The policy territory is:
 - A. The United States of America, its territories or possessions;
 - B. Puerto Rico; and
 - C. Canada.

This policy also applies to “loss” and “accidents” involving a “covered auto” while it is being transported between ports within the policy territory.
3. No coverage is provided under this policy for any “accident” or “loss” arising out of the use or maintenance of any vehicle or “trailer” in the Republic of Mexico.

TERMINATION

1. Cancellation

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

- A. The named insured shown in the Declarations page may cancel by:
 - (1) Returning this policy to “us”;
 - (2) Giving “us” advance written notice of the date cancellation is to take effect; or
 - (3) Giving “us” advance notice by any other method “we” agree to accept.
- B. During the first 59 days of the initial policy period “we” may cancel the policy for any reason.
- C. “We” may cancel by mailing or delivering to the named insured shown in the Declarations page at the address shown in this policy:
 - (1) At least 10 days’ notice:
 - (a) Stating the reason for cancellation if cancellation is for nonpayment of premium; or
 - (b) Stating one or more reasons for cancellation, including notice of possible eligibility for automobile liability insurance through an assigned risk plan, if notice is mailed or delivered during the first 59 days this policy is in effect and this is not a renewal policy; or
 - (2) At least 20 days’ notice stating one or more reasons for cancellation, including notice of possible eligibility for automobile liability insurance through an assigned risk plan, if cancellation is due to any reason other than nonpayment of premium.
- D. After this policy is in effect for 60 days, or if this is a renewal or policy, “we” will cancel only:
 - (1) For nonpayment of premium;
 - (2) The driver’s license or motor vehicle registration of the named insured or of any other operator who either:
 - (a) Resides in the same household as the named insured; or
 - (b) Customarily operates an automobile insured under the policy;

has been under suspension or revocation during the policy period or, if the policy is a renewal, during the policy period or the 180 days immediately preceding its effective date.

- (3) Discovery of fraud by the named insured in pursuing a claim under the policy if **"we"** do not rescind the policy.
 - (4) Discovery of a material misrepresentation of any of the following information concerning the named insured or any resident of **"household"** who customarily operates the **"covered auto"**:
 - (a) Safety record;
 - (b) Annual miles driven in prior years;
 - (c) Number of years of driving experience;
 - (d) Record of prior automobile insurance claims, if any; or
 - (e) Any other factor found by the California Insurance Commissioner to have a substantial relationship to the risk of loss.
 - (5) A substantial increase in the hazard insured against.
- E. However, **"we"** will not cancel this policy for this reason if:
- (1) The misrepresentation was negligent;
 - (2) The correct information is provided to **"us"** within 20 days after receipt of the notice of cancellation; and
 - (3) **"You"** agree to pay any difference in premium for the policy period in which the information remained undisclosed.

2. Nonrenewal

- A. If **"we"** decide not to renew or continue this policy, **"we"** will mail or deliver a nonrenewal notice, accompanied by notice of possible eligibility of automobile liability insurance through an assigned risk plan, to the named insured shown in the Declarations page at the address shown in this policy. Notice will be mailed or delivered at least 30 days before the end of the policy period. Subject to this notice requirement, if the policy period is:
- (1) Less than 6 months, **"we"** will have the right not to renew or continue this policy every 6 months, beginning 6 months after its original effective date.
 - (2) 6 months or longer, but less than one year, **"we"** will have the right not to renew or continue this policy at the end of the policy period.
 - (3) 1 year or longer, **"we"** will have the right not to renew or continue this policy at each anniversary of its original effective date.
- B. **"We"** may decide not to renew or continue this policy, or **"we"** may decide to assess a premium increase, for one or more of the following reasons:
- (1) For nonpayment of premium;
 - (2) **"Accident"** involvement by a person who is an **"insured"** under **Part I**, without regard to whether the **"insured"** is at fault in the **"accident"**;
 - (3) A change in, or an addition of, a **"covered auto"**;
 - (4) A change in, or addition of, a **"covered auto"** under the policy;
 - (5) A change in the location of garaging of a **"covered auto"**;
 - (6) A change in the use of a **"covered auto"**;
 - (7) **"You"** or a **"family member"** are convicted of violating any provision of the Vehicle Code or the Penal Code relating to the operation of a motor vehicle;
 - (8) **"Our"** payment of any claim of an insured or any other person due to a **"loss"** or **"accident"** to which this policy applies; or
 - (9) Any other reason that is not specified above if it is both lawful and not unfairly discriminatory.
- Some nonrenewals and premium increases may result from reasons that are not specified above that are both lawful and not unfairly discriminatory.

3. Automatic Termination

- A. If **"we"** offer to renew or continue, and **"you"** or **"your"** representative reject the renewal offer or do not accept or pay the premium to renew the policy when due, 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.

- B. If **“you”** obtain other insurance 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.
- C. If a **“covered auto”** is sold, assigned, gifted or transferred to anyone other than a **“family member”**, the insurance **“we”** provide for that **“auto”** shall automatically terminate at the time it is sold, assigned, gifted or transferred.

4. Other Termination Provisions

- A. **“We”** may deliver any notice instead of mailing it. Proof of mailing or delivery of any cancellation notice or nonrenewal notice shall be sufficient proof of notice.
- B. As a condition of the issuance of this policy, **“you”** have consented to all notices and communication from **“us”** to **“you”** being sent electronically via e-mail or by other electronic means in lieu of any other method, and that **“our”** transmittal of any notice or communication to **“you”** via e-mail or via other electronic means shall have the same force and effect as if provided in writing and sent to **“you”** via U.S. Mail with proof of mailing.
- C. If this policy is cancelled, **“we”** will send **“you”** any premium refund due to **“you”** within a reasonable period of time. **“Our”** making of a refund is not a condition of cancellation.
- D. The effective date of cancellation stated in a notice shall become the end of the policy period.

PAYMENT OF PREMIUM

- 1. If **“your”** initial premium payment for the first policy period is by e-check, draft, credit card or any remittance other than cash, coverage under this policy is conditioned upon that e-check, draft, credit card or remittance being honored by the bank or other financial institution when it is presented for payment. If the e-check, draft, credit card, or remittance is not honored, **“we”** may deem this policy void from its inception, as if it was never issued. This means that **“we”** will not be liable under this policy for any claims or damages that would be covered if that e-check, draft, credit card, or remittance had been honored when presented by **“us”** for payment.
- 2. **“We”** do not waive any of **“our”** rights if **“we”** process a deposit after the due date so that **“we”** may issue a refund to **“you”** when the policy is cancelled.
- 3. If a premium payment made by e-check draft, credit card, credit card or any remittance other than cash, is subsequently not honored or a chargeback is processed, thereby depriving **“us”** of any premium from policy inception, **“we”** may deem this policy void from its inception, as if it was never issued. This means that **“we”** will not be liable under this policy for any claims or damages that would be covered if that e-check, draft, or remittance had been honored and not subjected to chargeback or reversal when presented by **“us”** for payment or any time thereafter.

TRANSFER OF YOUR INTEREST IN THIS POLICY

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

CONFORMITY WITH STATUTE

Any provision of this policy that conflicts with a statute of the State of California, the provision shall be amended to conform to such law. Any dispute as to the coverage provided or the provisions of this policy shall be governed by the laws of California.

TWO OR MORE AUTO POLICIES

If this policy and any other auto 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.

HOW TO CONTACT CUSTOMER SERVICE AND CONSUMER AFFAIRS

We have established a toll-free Customer Service line for “*you*” to contact “*us*” for assistance.

IF YOU HAVE A PROBLEM WITH YOUR POLICY OR A CLAIM CONTACT US FIRST. THE CALIFORNIA DEPARTMENT OF INSURANCE SHOULD BE CONTACTED ONLY AFTER DISCUSSIONS WITH US HAVE FAILED TO PRODUCE A SATISFACTORY RESOLUTION TO THE PROBLEM.

YOU MAY CALL US TOLL-FREE AT 1-866-926-6012.

**YOU MAY WRITE TO US AT:
ESURANCE PROPERTY AND CASUALTY INSURANCE COMPANY
650 DAVIS STREET
SAN FRANCISCO, CA 94111-1904**

YOU MAY CALL THE CALIFORNIA DEPARTMENT OF INSURANCE AT 1-800-927-HELP (4357) or 213-897-8921.

**YOU MAY WRITE TO THE CALIFORNIA DEPARTMENT OF INSURANCE AT:
THE CALIFORNIA DEPARTMENT OF INSURANCE
CONSUMER COMMUNICATIONS BUREAU
300 SOUTH SPRING STREET, SOUTH TOWER
LOS ANGELES, CA 90013**