

Underwritten by

Auto Policy Contract

GENERAL PROVISIONS

AGREEMENT

We will provide the insurance **you** have selected in return for the premium due **us** and compliance with the policy terms, provisions and endorsements. **Your** coverages appear on the attached declarations page which is part of **your** policy. The declarations page, in addition to telling **you** which **automobiles** **you** have elected to insure, tells **you** the policy period, the amount and kinds of insurance **you** have selected.

WHERE YOUR POLICY APPLIES

This policy applies only to **accidents** and to direct and accidental losses to an **automobile** insured by this policy which occur during the policy period, within the United States, its territories or possessions or Canada or while an **automobile** insured by this policy is being shipped between their ports. This policy also applies to **accidents** and direct accidental losses to an **automobile** insured by this policy which occur in that part of the Republic of Mexico lying not more than 100 miles from the boundary of the United States. This extension of coverage applies if **your** residence is within the United States, and if the **use** of any **automobile** insured by this policy within the Republic of Mexico, or if the length of time **you** or a **relative** are within the Republic of Mexico, does not exceed 10 consecutive days from any single entry into the Republic of Mexico.

WHAT YOU MUST PAY

You must pay the premium stated in the declarations and any additional premium required because of:

- (a) the addition of any **automobiles** to **your** policy;
- (b) any change in garaging territory;
- (c) any change in the classification of **automobiles**

insured or operators;

- (d) any change in operators using **automobiles** insured including any person of legal driving age;
- (e) any endorsement which changes or adds coverages.

Additional premium charges due **us** arising from acquisition of an **automobile** by **you** or **your resident child** will be charged from the date of delivery to **you** or **your resident child**.

The payment of the premium or the issuance of the policy does not create a fiduciary relationship between **you** and **us**.

You agree that if the information **you** have provided, and upon which **we** have relied in determination of **your** premium, is incorrect or incomplete, or if the information changes during the policy period, **we** may decrease or increase the premium during the policy period based on the corrected, completed or changed information.

You agree that if the premium is decreased or increased during the policy period, **we** will refund or credit to **you** any decrease in premium and **you** will pay for any increase in premium.

YOUR DUTIES

In the event of an **accident** or loss:

- (a) **we** must be notified promptly of time, place and circumstances surrounding the **accident** or loss, including the names and addresses of persons involved, injured persons and witnesses;
- (b) any person insured must, at **our** request, provide statements under oath, as often as **we** reasonably require, completely describing all facts and circumstances surrounding the **accident** or loss, including facts which may

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assist **us** in deciding whether the policy will provide coverage for the **accident** or loss;

- (c) any person insured must, at **our** request, provide to **us** any papers, photographs or documents related to the loss or **accident** or related to any issue regarding the applicability of this policy to the loss or **accident**;
- (d) if claim or suit is brought against any insured, any legal papers received by any insured relating to such claim or suit must be sent to **us** promptly;
- (e) any person insured must, at **our** request, make available for **our** inspection any motor vehicle, object or premises involved.

California law requires the following statement:

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

CONCEALMENT OR FRAUD

This entire policy shall be void as to **you** and any insured if **you** or any insured intentionally conceals or intentionally misrepresents any material fact or circumstance relating to this insurance whether before or after the **accident**.

CHANGES AND LIBERALIZATION

There shall be no change in this policy except by written endorsement or notice issued by **us**. If **we** broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective.

TRANSFER OR ASSIGNMENT OF THIS POLICY

This policy or any interest in it may not be assigned without **our** written consent. If this policy or any interest in it is assigned to any person or entity without **our** written consent, the policy will be void and shall be of no force or effect. If **you**

should die, **your** interest in this policy will be transferred to:

- (a) **your** surviving spouse;
- (b) **your** legal representative while acting within the scope of the duties as **your** legal representative.

Until the appointment of such legal representative, any person having proper temporary custody of the insured **automobile** will be covered by the policy as a person insured, unless such person is otherwise excluded by the terms of this policy or a named driver exclusion agreement.

CANCELLATION OR NON-RENEWAL

- (a) **You** may cancel all or part of this policy by notifying **us** and stating on what future date **you** wish to stop coverage.
- (b) **We** may cancel this policy by delivery or mailing notice of **our** cancellation of this policy to **you** at least 20 days before cancellation takes effect, unless this policy is cancelled for non-payment of premium. If this policy is cancelled for non-payment of premium, **we** may cancel this policy by delivery of or mailing notice of **our** cancellation of this policy to **you** at least 10 days before cancellation takes effect.
- (c) **We** won't cancel, non-renew or reduce coverage during the policy term unless:
 - (1) the premium isn't paid when due.
 - (2) **you** or any member of **your** household has a driver's license suspended or revoked.
 - (3) There is discovery of **your** fraud in pursuing a claim under the policy provided **we** do not rescind the policy.
 - (4) There is discovery of material misrepresentation of any of the following information concerning **you** or any **resident** of the same household who customarily operates an **automobile** under the policy:
 - (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.

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- (e) Any factor found by the Insurance Commissioner to have substantial relationship to the risk of loss.
- (5) there is a substantial increase in the hazard insured against.
- (d) If **we** decide to non-renew **your** policy, **we** will mail **our** notice to **you** at the address shown in the declarations at least 30 days prior to **your** policy expiration. In the event **our** notice is mailed less than 30 days prior to **your** policy expiration, **your** policy will remain in effect for 30 days from the date the notice is mailed.
- (e) If **we** cancel the policy, **our** mailing or giving of notice to **your** address shown in the declarations will constitute proof of notice as of the date **we** mail it. **We** will make any premium refund **you** are due as soon as **we** are reasonably able to do so after the date of cancellation.

Delivery includes electronic transmittal, facsimile or personal delivery.

STATEMENTS IN THE APPLICATION FOR INSURANCE

By **your** acceptance of this policy **you** agree the facts and information contained in **your** application and those in the declarations of this policy are correct and accurate and the policy contains all of the agreements between **you** and **us**. By **your** acceptance of this policy, **you** represent to **us** that **you** have not failed to disclose, intentionally or otherwise, any material facts relating to the risks insured with this policy. **We** have issued this policy in reliance upon the truth of such statements and representations.

DEFINITIONS

Defined words or phrases used in this policy are printed in **bold type**. The following are found in the indicated parts of this policy.

Accident(s) -- means a sudden event including continuous or repeated exposure to the same conditions resulting in **bodily injury** or property damage, neither expected nor intended by an insured. (Parts I, II and III).

Automobile(s) -- means a 4 wheel land motor vehicle, whether operable or inoperable, designed for **use** principally upon public highways as a private passenger, station wagon or sport utility vehicle and includes a **utility automobile** or a motor home with 4 or more wheels. (Parts I, II, III and IV).

Automobile Business -- means to be employed or otherwise engaged in the business of selling, repairing, servicing, delivering, testing, road testing, parking or storing **automobiles**. (Parts I, II, III and IV).

Bodily Injury -- means bodily harm, sickness or disease, including death therefrom, and including consequential damage from any of these. (Parts I, II and III).

Business -- means commercial enterprise, trade, profession or occupation. (Parts I, II and IV).

Child -- means the biological or adopted offspring of **you**, including a stepchild, provided that said **child** is under the age of 26 years. (Parts I, II, III and IV).

Owned -- means having acquired ownership or being the lessee of any motor vehicle leased for a period of six months or longer. (Parts I, II, III and IV).

Relative -- means any person related to **you** by blood, marriage or adoption who is a **resident** of the same household in which **you reside**. (Parts I, II, III and IV).

Resident or **Reside** -- means living in the household in which **you reside** and having the intention of continuing to live there. (Parts I, II, III and IV).

Use, Used -- means operating, maintaining, loading or unloading. (Parts I, II, III and IV).

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Utility Automobile -- means an **automobile** with 4 or more wheels and a rated load capacity of 2,000 pounds or less of the pickup, van or panel truck type. (Parts I, II and IV).

Utility Trailer -- means a trailer designed for **use** with a private passenger **automobile** or **utility automobile** if not being **used** for **business** purposes with other than a private passenger or **utility automobile**. (Parts I, II, III and IV).

We, Us, Our or Company -- means the Company named on the declarations page that provides this insurance . (Parts I, II, III and IV).

You, Your -- means the insured named in the declarations and, if the insured named is one person, the spouse if a **resident** of the same household. (Parts I, II and IV).

OTHER DEFINITIONS MAY DIFFER IN VARIOUS PARTS OF THE POLICY AND THEY ARE DEFINED SEPARATELY IN THE PART TO WHICH THEY APPLY.

PART I – LIABILITY

COVERAGE A -- BODILY INJURY

COVERAGE B -- PROPERTY DAMAGE

OUR PROMISE TO YOU – PART I

We will pay damages for which any insured is legally liable because of **bodily injury** and/or **property damage** caused by **accident** and arising out of the ownership, maintenance or **use** of an **automobile** or **utility trailer** insured under this part.

We will defend, through attorneys selected by **us**, any suit claiming damages for **bodily injury** and/or **property damage** if covered by **your** policy, even if the allegations of the lawsuit are groundless, false or fraudulent. **We** may make settlement of any claim or lawsuit as **we** think appropriate.

ADDITIONAL PAYMENTS -- PART I

In addition to the limits of liability, **we** will pay:

- (a) expenses incurred by **us** and costs taxed against any insured in any suit **we** defend;
- (b) interest on damages awarded in any suit defended by **us** and covered under this part after judgment has been entered and before **we** have paid, offered to pay or deposited in court that portion of a judgment which is not more than **our** limit of liability, unless otherwise required by law;
- (c) all reasonable expenses any insured incurs at **our** request;
- (d) loss of wages or salary up to a maximum of \$300 per day if **we** ask **you** to attend the arbitration or trial of a civil suit;
- (e) expenses any insured incurs for first aid to others at the time of an **accident** involving an **automobile** insured under this part;
- (f) premiums on:
 - (1) appeal bonds required in any lawsuit against any insured, defended by **us**, but the face amount of these bonds may not exceed the limits of liability as stated in the declarations;
 - (2) bonds to release attachments for an amount not in excess of the limits of liability;
 - (3) bail bonds required because of an **accident** or traffic violation arising out of the **use** of an **automobile** insured under this part, not to exceed \$350 per bail bond.

Our obligation is only to pay for, not apply for or furnish any such bonds.

PERSONS INSURED -- PART I

- (a) In the **use** of an **insured automobile**, the following are insureds:
 - (1) **you**;
 - (2) a **relative**;
 - (3) any person **using your insured automobile** with **your** permission.
- (b) In the **use** of an **additional insured automobile**, the following are insureds if **you** are one person or husband and wife:

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- (1) **you**;
- (2) a **relative**;

AUTOMOBILES INSURED -- PART I

- (a) **Insured Automobile**, as defined in this part.
- (b) **Additional Insured Automobile**, as defined in this part.

DEFINITIONS -- PART I

Additional Insured Automobile -- means an **automobile** not **owned** nor available for regular **use** by **you**, a **relative** or a **resident** of the same household in which **you reside, used** with the permission of the owner.

Insured Automobile -- means:

- (a) an **automobile** described in the declarations and includes a **utility trailer owned by you**;
- (b) an **automobile** or **utility trailer** not **owned** by **you** while temporarily **used**, with the permission of the owner, as a substitute for any **automobile** insured under this part which is **owned** by **you** when withdrawn from normal **use** for servicing or repairs or because of its breakdown, loss or destruction;
- (c) an **automobile**, ownership of which is acquired by **you**, provided:
 - (1) the acquired **automobile** has replaced an **insured automobile** and **you** have transferred title and possession of the replaced **automobile** and have notified **us** within 30 days; or
 - (2) **we** insure all **automobiles** then **owned** by **you**, and **you** notify **us** within 30 days after **you** take delivery requesting **us** to provide insurance;
- (d) an **automobile**, ownership of which is acquired solely by **your resident child**, who is not specifically excluded by name on an endorsement to the policy, provided:
 - (1) the acquired **automobile** has replaced an **insured automobile** and **your resident child** has transferred title and possession of the replaced **automobile** and **you** and **your resident child** have notified **us** within 30 days; or

- (2) **we** insure all **automobiles** then **owned** by **your resident child**, and **you** or **your resident child** notify **us** within 30 days after **your resident child** takes delivery requesting **us** to provide insurance.

Property Damage -- means injury to or destruction of tangible property including its loss of use.

WHAT IS NOT COVERED -- EXCLUSIONS -- PART I

Under Part I, this policy does not apply to liability for, nor will **we** provide or pay for a defense of a lawsuit for:

- (a) **bodily injury** or **property damage** arising from the **use** of any **automobile** while carrying persons for a charge, but this exclusion does not apply to **you** while occupying an **additional insured automobile** as a passenger or to shared-expense car pools;
- (b) any liability assumed by any insured under a contract;
- (c) **bodily injury** or **property damage** caused intentionally by or at the direction of the insured;
- (d) **bodily injury** or **property damage** arising out of the loading or unloading of any **automobile** insured under this part, but this exclusion does not apply to **you**, a **relative**, a lessee, a bailee or an employee of any such person;
- (e) **bodily injury** or **property damage** if insurance is or can be afforded under a nuclear energy liability policy;
- (f) **bodily injury** to **you**, a **relative** or any insured;
- (g) **bodily injury** to **you**, a **relative** or any insured whenever the ultimate benefits of that indemnification accrue directly or indirectly to **you**, a **relative** or any insured;
- (h) **bodily injury** to any employee of any insured if the **bodily injury** arises out of and in the course of employment;
- (i) **bodily injury** to any fellow employee of any insured who is injured in the scope and course of employment;

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- (j) any obligation for which any insured may be held liable under any workers' compensation law;
- (k) **bodily injury** or **property damage** arising from the **use** of an **insured automobile** in the **automobile business**, but this exclusion does not apply to **you**;
- (l) **bodily injury** or **property damage** arising from the **use** of an **additional insured automobile** in the **automobile business** by any insured;
- (m) **bodily injury** or **property damage** arising from the **use** of an **additional insured automobile** while **used** in any **business** activity of any insured unless the **additional insured automobile** is being **used** by **you**;
- (n) **property damage** to property owned by, rented to, transported by, or in charge of an insured. This exclusion does not apply to a residence, a garage or carport rented to any insured;
- (o) **bodily injury** or **property damage** arising from the operation of any **automobile** in any race or speed contest;
- (p) punitive or exemplary damages; however, if the underlying claim is otherwise covered under this part, **we** will defend the entire suit alleging liability for such damages. **Our** duty to defend such suit ends when all claims for covered nonpunitive damages have been resolved by judgments or settlements.

LIMITS OF LIABILITY -- PART I

- (a) The **bodily injury** liability limit for each person as stated in the declarations is the maximum **we** will pay for **bodily injury** sustained by one person in any one **accident**, including damages for care, loss of consortium and loss of services by that person or any other person.
- (b) Subject to the limit for each person, the limit for each **accident** as stated in the declarations is the maximum **we** will pay for **bodily injury** sustained by two or more persons in any one **accident**.
- (c) The **property damage** liability limit for each **accident** as stated in the declarations is the maximum **we** will pay for all damages to all

property in any one **accident**.

- (d) **Our** insuring of more than one person, **automobile** or **utility trailer** under this policy shall not increase **our** liability under this part beyond the amount shown for any one **automobile** on the declarations page, even though **we** have charged a separate premium for each **automobile**.
- (e) If a claim is made under Part III -- Uninsured Motorist Coverage -- or because **your** policy is extended to comply with the laws of any other state, and a claim including the same damages is also made against any insured under Part I -- Bodily Injury -- any payment made to the injured person shall be applied to reduce the amount **we** owe under this part.
- (f) If a loss involves two or more **automobiles** insured by **us**, the limits of liability shall apply separately to each **automobile**, but an **automobile** insured by **us** and an attached **utility trailer** shall be held to be one **automobile** with respect to the limits of liability.

OUT OF STATE COVERAGE -- PART I

Where an **accident** occurs in Canada or any state other than where **you reside**, **we** will interpret **your** policy covering that **accident** as follows:

- (a) **Your** policy will conform with the financial responsibility or similar laws requiring **bodily injury** or **property damage** limits higher than stated in **your** declarations;
- (b) **Your** policy will conform with the compulsory insurance or similar law, providing the required minimum amounts and types of coverages.

No insured shall be entitled to duplicate payments for any damages covered by **your** policy.

OTHER INSURANCE -- PART I

In the **use** of an **additional insured automobile** or **insured automobile** not **owned** by any insured, the insurance under this part shall be excess over any other collectible insurance or bond or certificate of self-insurance. If more than one policy applies to **your insured automobile**, **we** will bear **our**

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proportionate share with other collectible liability insurance. If the loss occurs in Mexico, and **our** policy applies, then **our** policy will be excess over other collectible insurance.

BANKRUPTCY -- PART I

Bankruptcy or insolvency of any insured does not relieve **us** of any obligations under this part.

SUITS AGAINST US -- PART I

Suit may not be brought against **us** unless all terms of this policy have been fully complied with and the obligation to pay, by any insured, is finally determined either by judgment against the person insured after actual trial or by written agreement of the person insured, the claimant and **us**. No one shall have the right to make **us** a party to a lawsuit to determine the liability of any insured.

DUTIES -- PART I

In addition to fulfilling the required duties, any person insured under this policy must cooperate with **us** and at **our** request attend hearings and trials and assist in making settlements, in securing and giving evidence, in obtaining the attendance of witnesses and in the conduct of suits.

Persons insured shall not, except at their own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of injury.

No attorney fees or costs expended by or on behalf of the insured prior to the date notice is given to **us** of a claim or lawsuit shall be reimbursable under this policy. If claim or suit is brought against any insured, any legal papers received by any insured relating to such claim or suit must be sent to **us** immediately.

PART II -- MEDICAL PAYMENTS

COVERAGE C -- MEDICAL PAYMENTS

OUR PROMISE TO YOU -- PART II

We will pay reasonable expenses incurred within one year from the date of **accident** by or on behalf of a person insured for necessary medical and

funeral services because of **bodily injury** caused by an **automobile accident** and sustained by a person insured under this part.

PERSONS INSURED -- PART II

- (a) **you**, while **occupying** any **automobile** insured under this part; or while not **occupying** an **automobile**, when struck by an **automobile**;
- (b) a **relative**, while **occupying** an **automobile** insured under this part; or while not **occupying** an **automobile**, when struck by an **automobile**;
- (c) any other person **occupying** an **insured automobile** while the **automobile** is **used** by **you**, a **relative**, or with **your** permission;
- (d) any other person **occupying** an **additional insured automobile** while the **automobile** is **used** by **you** or a **relative**.

AUTOMOBILES INSURED -- PART II

- (a) **Insured Automobile**, as defined in this part.
- (b) **Additional Insured Automobile**, as defined in this part.

DEFINITIONS -- PART II

Additional Insured Automobile -- means an **automobile** not **owned** nor available for regular **use** by **you**, a **relative** or a **resident** of the same household in which **you reside**, **used** with the permission of the owner.

Insured Automobile -- means:

- (a) an **automobile** described in the declarations and includes any **utility trailer owned** by **you**;
- (b) an **automobile** not **owned** by **you** while temporarily **used**, with the permission of the owner, as a substitute for any **automobile** insured under this part which is **owned** by **you** when withdrawn from normal **use** for servicing or repairs or because of its breakdown, loss or destruction;
- (c) an **automobile**, ownership of which is acquired by **you**, provided:
 - (1) the acquired **automobile** has replaced an **insured automobile** and **you** have transferred title and possession of the replaced **automobile** and have notified **us**

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within 30 days; or

- (2) **we** insure all **automobiles** then **owned** by **you**, and **you** notify **us** within 30 days after **you** take delivery requesting **us** to provide insurance;
- (d) an **automobile**, ownership of which is acquired solely by **your resident child**, who is not specifically excluded by name on an endorsement to the policy, provided:
 - (1) the acquired **automobile** has replaced an **insured automobile** and **your resident child** has transferred title and possession of the replaced **automobile** and **you** or **your resident child** have notified **us** within 30 days; or
 - (2) **we** insure all **automobiles** then **owned** by **your resident child**, and **you** or **your resident child** notify **us** within 30 days after **your resident child** takes delivery requesting **us** to provide insurance.

Occupying -- means in or upon, entering into or alighting from.

WHAT IS NOT COVERED -- EXCLUSIONS -- - PART II

Under Part II, this policy does not apply to medical or funeral expenses because of **bodily injury**:

- (a) sustained while **occupying** any motor vehicle with less than 4 wheels;
- (b) sustained while **occupying** any **insured automobile** or vehicle while located for **use** as a residence or premises;
- (c) sustained by any person while **occupying** an **automobile** while **used** to carry persons for a charge, but this exclusion does not apply to **you** or a **relative** while **occupying** an **additional insured automobile** as a passenger or to shared-expense car pools;
- (d) sustained by any person other than **you** or a **relative** resulting from the **use** of an **additional insured automobile** in the **automobile business**;
- (e) sustained while struck by any **automobile** which is **owned** by, available or furnished for regular **use** by you or a **relative** unless the **automobile** is insured under this part;

- (f) if benefits therefor are, in whole or in part, either payable or required to be provided under any workers' compensation or similar law;
- (g) sustained while **occupying** any **automobile** operated in any race or speed contest;
- (h) when expenses are paid for or required to be paid for or will benefit the United States of America, any state or political subdivision thereof;
- (i) due to war, civil war, insurrection, rebellion, revolution, nuclear reaction or any consequence of any of these;
- (j) to the owner of an **additional insured automobile**;
- (k) sustained while **occupying** any **automobile** without the permission or consent or without reasonable belief of permission or consent of the owner.

LIMITS OF LIABILITY -- PART II

Regardless of the number of vehicles described in the declarations, number of persons insured, number of claims, number of policies or number of vehicles involved in the **accident**, **we** will pay no more than the limit of liability shown for this coverage in the declarations for each person injured in any one **accident**.

Any payment for medical or funeral expenses **we** make to or on behalf of a person because any other part of this policy is extended to comply with the laws of any other state, shall be applied to reduce any amount **we** owe that person under this part.

There shall be no duplication of payments between Part I of policy and this part. All payments under this part to or on behalf of any person shall be considered as an advance payment to that person. Amounts payable under Part I to that person will be reduced by that amount.

OTHER INSURANCE -- PART II

Insurance afforded a person insured under this part shall be excess over other collectible

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automobile medical payments insurance while the person insured is **occupying** any **automobile** not described in the declarations page of this policy.

PAYMENT OF CLAIMS -- PART II

We may pay **you** or any other person making claim or any person or organization rendering services. The total amount available under this part shall be reduced by any payment made by **us** under this part. Payment by **us** shall not constitute an admission that the medical expenses were reasonable, necessary or otherwise covered under this policy.

DUTIES -- MEDICAL REPORTS -- MEDICAL EXAMINATIONS -- PART II

In addition to fulfilling the required duties, any insured making claim must, at **our** request, execute authorizations enabling **us** to obtain medical records. The injured person must also, at **our** request, submit to physical examinations by physicians selected by **us**.

SUITS AGAINST US -- PART II

Suit may not be brought against **us** unless there is full compliance with all of the terms of this policy.

PART III – UNINSURED MOTORIST

COVERAGE D -- DAMAGES FOR BODILY INJURY CAUSED BY UNINSURED MOTOR VEHICLES AND DAMAGES FOR BODILY INJURY CAUSED BY UNDERINSURED MOTOR VEHICLES

OUR PROMISE TO YOU -- BODILY INJURY PROTECTION

We will pay all sums which a **person** insured shall be legally entitled to recover as damages from the owner or operator of an **uninsured motor vehicle** because of **bodily injury** sustained by a **person** insured caused by **accident** and arising out of the ownership, maintenance or **use** of an **uninsured motor vehicle**.

Coverage for **bodily injury** sustained by a **person** insured caused by **accident** and arising out of the

ownership, maintenance or **use** of an **uninsured motor vehicle** will apply only after the limits of liability under all **bodily injury** liability bonds or policies applicable to all **motor vehicles** causing the injury have been exhausted by the payment of judgments or settlements, and proof of such is submitted to **us**.

If **your** uninsured motorist limits are less than or equal to the limits of liability under the **underinsured motor vehicle's bodily injury** liability bond or policy there is no underinsured motorist coverage available.

PERSONS INSURED -- BODILY INJURY PROTECTION

- (a) **you**, while **occupying** an **insured automobile**, an **additional insured automobile** or, while not **occupying** a **motor vehicle**, when struck by a **motor vehicle**;
- (b) a **relative** while **occupying** an **insured automobile**, an **additional insured automobile** or, while not **occupying** a **motor vehicle**, when struck by a **motor vehicle**;
- (c) any **person occupying** an **insured automobile** while operated by **you** or any other **person** with **your** permission and any **person occupying** an **additional insured motor vehicle** while operated by **you**.

AUTOMOBILES INSURED -- BODILY INJURY PROTECTION

- (a) **Insured Automobile**, as defined in this section of Part III.
- (b) **Additional Insured Automobile**, as defined in this section of Part III.

DEFINITIONS – BODILY INJURY PROTECTION

Additional Insured Automobile -- means an **automobile** not **owned**, available or furnished for regular **use** by **you**, or any **resident** of the same household in which **you reside**, while being operated by the insured named in the declarations or his or her spouse if a **resident** of the same household, and with the permission of

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the owner.

Hit and Run Motor Vehicle -- means a **motor vehicle** which causes **bodily injury** to a **person** insured through physical contact with the **person** insured or with a **motor vehicle** which the **person** insured is **occupying** at the time of the **accident**, if:

- (a) the identity of the owner and the operator of such **hit and run motor vehicle** is unknown; and
- (b) the **person** insured or someone on behalf of the **person** insured shall have reported the **accident** within 24 hours to the police, peace or judicial officer or Director of Motor Vehicles and shall have filed with **us** within 30 days thereafter a statement under oath that the **person** insured or the legal representative of the **person** insured has a cause of action arising out of such **accident** for damages against a **person** or **persons** whose identity is unascertainable and set forth facts in support thereof.

At **our** request, the **person** insured or the legal representative of the **person** insured must make available for inspection the **motor vehicle** which the injured **person** was **occupying** at the time of the **accident**.

Insured Automobile -- means:

- (a) an **automobile** described in the declarations and includes a **utility trailer owned** by **you**;
- (b) an **automobile** not **owned** by **you** while temporarily **used**, with the permission of the owner, as a substitute for any **automobile** insured under this section which is **owned** by **you** when withdrawn from normal **use** for servicing or repairs or because of its breakdown, loss or destruction;
- (c) an **automobile**, ownership of which is acquired by **you**, provided:
 - (1) the acquired **automobile** has replaced an **insured automobile** and **you** have

transferred title and possession of the replaced **automobile** and have notified **us** within 30 days; or

- (2) **we** insure all **automobiles** then **owned** by **you**, and **you** notify **us** within 30 days after **you** take delivery requesting **us** to provide insurance;
- (d) an **automobile**, ownership of which is acquired solely by **your resident child**, who is not specifically excluded by name on an endorsement to the policy, provided:
 - (1) the acquired **automobile** has replaced an **insured automobile** and **your resident child** has transferred title and possession of the replaced **automobile** and **you** or **your resident child** have notified **us** within 30 days; or
 - (2) **we** insure all **automobiles** then **owned** by **your resident child**, and **you** or **your resident child** notify **us** within 30 days after **your resident child** takes delivery requesting **us** to provide insurance.

Insured Motor Vehicle -- means an **insured automobile** or **additional insured automobile**.

Motor Vehicle -- means any vehicle designed for **use** principally upon streets and highways and subject to motor vehicle registration under the laws of this state.

Occupying, Occupied -- means in or upon, entering into or alighting from.

Person(s) -- means a human being.

Uninsured Motor Vehicle -- means:

- (a) a **motor vehicle** with respect to the ownership, maintenance or **use** of which there is no **bodily injury** liability insurance or bond applicable at the time of the **accident**, or where the company writing such insurance or bond denies coverage thereunder or refuses to admit coverage thereunder except conditionally or with reservation or is unable

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to make payment on behalf of its insured because of insolvency, occurring within one year of the **accident**.

- (b) a **hit and run motor vehicle** as defined.
- (c) an **underinsured motor vehicle** as defined.

Underinsured Motor Vehicle -- means a **motor vehicle** insured by a liability bond or policy at the time of the **accident** which provides **bodily injury** liability limits less than the limit of liability for **your** uninsured motorist coverage as stated in the declarations.

You, Your -- means the insured named in the declarations and that **person's** spouse and, if deceased, the heirs.

WHAT IS NOT COVERED -- EXCLUSIONS -- BODILY INJURY PROTECTION

Under Coverage D, this policy does not apply:

- (a) unless within one year from the date of the **accident** wherein **bodily injury** is sustained agreement as to the amount due under this part has been concluded or the **person** insured under this part or the legal representative of said **person** insured has formally instituted arbitration proceedings by notifying **us** in writing by certified mail, return receipt requested, or has commenced action for **bodily injury** in a court of competent jurisdiction against the uninsured motorist. This exclusion does not apply to any loss involving an **underinsured motor vehicle**;
- (b) to damages because of **bodily injury** if, without **our** written consent, there is a settlement with or judgment against any **person** or organization who may be liable for such damages. This exclusion does not apply to any loss involving an **underinsured motor vehicle**;
- (c) to damages because of **bodily injury** to a **person** insured **occupying** a **motor vehicle owned** by any **person** insured unless the **occupied** vehicle is an **insured motor vehicle**;
- (d) to damages because of **bodily injury** caused by a **motor vehicle owned** or operated by the

named insured or any **resident** of the named insured's household, but this exclusion does not apply where the **insured automobile** is being operated, or caused to be operated, by a **person** without the injured insured's consent in connection with criminal activity, in which the **person** insured was not a party, that has been documented in a police report;

- (e) to damages because of **bodily injury** sustained while **occupying** any **insured motor vehicle** or while **occupying** any **additional insured automobile** operated by **you** while such **vehicle** is **used** as a public or livery conveyance, but this exclusion does not apply to shared-expense car pools;
- (f) to damages because of **bodily injury** caused by a **motor vehicle** which is self-insured within the meaning of the financial responsibility law of the state in which it is registered;
- (g) to damages because of **bodily injury** caused by a **motor vehicle** which is owned by the United States of America, Canada, a state or political subdivision of any such government or an agency of any of the foregoing;
- (h) to damages because of **bodily injury** caused by a land **motor vehicle** or trailer while located for **use** as a residence or premises and not as a vehicle;
- (i) to damages because of **bodily injury** caused by any equipment or vehicle designed or modified for **use** primarily off public roads, except while actually upon public roads;
- (j) to damages because of **bodily injury** to any **person** insured while **occupying** any **additional insured automobile** if the owner thereof has similar uninsured motor vehicle insurance or similar underinsured motor vehicle insurance. Similar insurance means uninsured motor vehicle insurance or underinsured motor vehicle insurance with limits equal to or greater than those limits of this policy;
- (k) so as to benefit:
 - (1) any workers' compensation or disability benefits carrier; or
 - (2) any **person** or organization qualifying as a self-insurer under any workers'

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- compensation or disability law; or
- (3) the United States of America or any state or any political subdivision thereof;
- (l) to damages because of **bodily injury** caused by a **motor vehicle** furnished for regular **use** by **you** or any **relative**;
- (m) to punitive damages claimed against an owner or operator of an **uninsured motor vehicle**.

LIMITS OF LIABILITY -- BODILY INJURY PROTECTION

- (a) The limit for each **person** as stated in the declarations, reduced by all amounts identified under any applicable provisions for reduction of payments, is the maximum **we** will pay for **bodily injury** sustained by one **person** and by other **persons** as a result of that **bodily injury** in any one **accident**, including damages for care, loss of consortium and loss of services resulting from said **bodily injury** by that **person** or any other **person**.
- (b) Subject to the limit for each **person**, the limit for each **accident** as stated in the declarations under Coverage D, Uninsured Motorist, reduced by all amounts identified under any applicable provisions for reduction of payments, is the maximum **we** will pay for **bodily injury** sustained by two or more **persons** in any one occurrence.
- (c) The limits for Underinsured Motorist Coverage will be reduced by all amounts paid by or on behalf of the owner or operator of the **underinsured motor vehicle**, or any other **person** or organization that may be legally liable.
- (d) Any amounts payable to or for a **person** insured shall be reduced by the amount paid to any **person** or organization and the present value of all amounts payable to such **person** insured under any workers' compensation law, exclusive of non-occupational disability benefits.
- (e) The damages which a **person** insured is entitled to recover from the owner or operator of an **uninsured motor vehicle** shall be reduced by the amounts paid or due to be paid under

any valid and collectible automobile medical payments insurance available to such **person** insured.

- (f) If a claim is made against any **person** insured under Part I — Liability — or because **your** policy is extended to comply with the laws of any other state, and a claim including the same damages is also made under Part III — Uninsured Motorist — any payment made to the **person** insured shall be applied to reduce the amount **we** owe under this part.
- (g) The limits as stated in the declarations under Coverage D are the maximum **we** will pay for any one **motor vehicle accident** regardless of the number of claims made, vehicles or **persons** shown on the declarations, or vehicles involved in the **accident**.

COVERAGE D-1 — DAMAGE TO YOUR MOTOR VEHICLE CAUSED BY UNINSURED MOTOR VEHICLES

OUR PROMISE TO YOU — UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

If a **motor vehicle** insured under this part does not carry Collision Coverage under this or any other policy, **we** will pay all sums which the **person** insured shall be legally entitled to recover as damages from the owner or operator of an **uninsured motor vehicle** because of **property damage** to the **insured motor vehicle** arising from a collision involving direct physical contact between the **uninsured motor vehicle** and the **insured motor vehicle**.

COLLISION DEDUCTIBLE WAIVER — UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

If **you** have purchased Uninsured Motorist Property Damage Coverage, and the **motor vehicle** insured under this part carries Collision Coverage under this or any other policy, **we** will pay the deductible amount that applies to such coverage, in the event of a collision involving direct physical contact between the **uninsured**

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motor vehicle and the **insured motor vehicle**.

MOTOR VEHICLES INSURED — UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

We insure an **insured automobile** as defined in this section of Part III.

PERSONS INSURED — UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

In the **use** of an **insured automobile**, the following are insureds:

- (a) **you**;
- (b) a **relative**;
- (c) any **person** or organization **using** or having custody of **your insured automobile** with **your** permission, other than any bailee in the **automobile business** or any agent or employee thereof.

DEFINITIONS — UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

Insured Automobile — means:

- (a) an **automobile** described in the declarations;
- (b) an **automobile** not **owned** by **you** while temporarily **used**, with the permission of the owner, as a substitute for **your insured automobile** insured under this section which is **owned** by **you** when withdrawn from normal **use** for servicing or repairs or because of its breakdown, loss or destruction;
- (c) an **automobile**, ownership of which is acquired by **you**, provided:
 - (1) the acquired **automobile** has replaced an **insured automobile** and **you** have transferred title and possession of the replaced **automobile** and have notified **us** within 30 days; or
 - (2) **we** insure all **automobiles** then **owned** by **you**, and **you** notify **us** within 30 days after **you** take delivery requesting **us** to provide insurance;
- (d) an **automobile**, ownership of which is acquired solely by **your resident child**, who is not specifically excluded by name on an endorsement to the policy, provided:

- (1) the acquired **automobile** has replaced an **insured automobile** and **your resident child** has transferred title and possession of the replaced **automobile** and **you** or **your resident child** have notified **us** within 30 days; or
- (2) **we** insure all **automobiles** then **owned** by **your resident child**, and **you** or **your resident child** notify **us** within 30 days after **your resident child** takes delivery requesting **us** to provide insurance.

Loss or Damage — means the lesser of the following amounts:

- (a) the amount necessary to repair or replace the property or portion damaged; or
- (b) the actual cash value of the property or portion damaged.

Person(s) — means a human being.

Property Damage — means:

Loss or damage to the **insured automobile** caused by collision with an **uninsured motor vehicle**, but does not include damage for loss of use of the **insured automobile**. Loss of use includes car rental.

Uninsured Motor Vehicle — means:

- (a) a **motor vehicle** with respect to the ownership, maintenance or use of which there is no **property damage** liability insurance or bond applicable at the time of the **accident**, or where the company writing such insurance or bond denies coverage thereunder or refuses to admit coverage thereunder except conditionally or with reservation or is unable to make payment on behalf of its insured because of insolvency, occurring within one year of the **accident**; and
- (b) the owner or operator of the vehicle causing **property damage** is identified, or the vehicle causing **property damage** is identified by its license number.

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You, Your — means the insured named in the declarations and that **person's** spouse.

WHAT IS NOT COVERED — EXCLUSIONS — UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

Under Coverage D-1, this policy does not apply:

- (a) if, without **our** written consent, there is a settlement with or judgment against any **person** or organization that may be liable for such damages;
- (b) to **property damage** caused by any **motor vehicle owned** or operated by any insured, or any **resident** of **your** household;
- (c) to **property damage** caused by a **motor vehicle** which is self-insured within the meaning of the financial responsibility law of the state in which it is registered;
- (d) to **property damage** caused by a **motor vehicle** which is **owned** by the United States of America, Canada, a state or political subdivision of any such government or any agency of any of the foregoing;
- (e) to **property damage** caused by a land **motor vehicle** or trailer operated on rails or crawler-treads or while located for **use** as a residence or premises and not as a vehicle;
- (f) to **property damage** caused by a farm type tractor or equipment designed for **use** principally off public roads except while actually upon public roads;
- (g) to **property damage** caused by a **motor vehicle** identified only by license number unless the insured, or someone on their behalf has reported the **accident** to **us** within 10 business days;
- (h) to **property damage** in excess of the deductible amount shown on the declarations page, if coverage is provided under Part IV of this policy;
- (i) to punitive damages claimed against the owner or operator of an **uninsured motor vehicle**.

LIMITS OF LIABILITY -- UNINSURED

MOTORIST PROPERTY DAMAGE PROTECTION

If Uninsured Motorist Property Damage applies and is shown on the declarations page, the limit of liability for **property damage** to the **automobile** insured is the amount of damages the **person** insured is legally entitled to recover from the owner or operator of an **uninsured motor vehicle**, not to exceed the limit of liability shown for the Uninsured Motorist Property Damage Coverage.

OTHER INSURANCE -- PART III

- (a) If **you** have other valid and collectible uninsured motorist insurance or underinsured motor insurance that applies to an **insured automobile** newly acquired by **you**, this part does not apply.
- (b) Subject to paragraph (a) immediately above and also subject to exclusion (j) under Coverage D, if a **person** insured has other valid and collectible uninsured motorist insurance or underinsured motorist insurance that applies to an **additional insured motor vehicle** or to an **insured automobile**, other than an **automobile** described in the declarations, then this policy is excess to any such other valid and collectible insurance and only to the extent that the limits of this policy are greater than the limits of coverage on such other valid and collectible insurance.
- (c) Subject to paragraphs (a) and (b) immediately above and also subject to exclusion (j) under Coverage D, if a **person** insured has insurance available to the insured under more than one uninsured motorist coverage or underinsured motorist coverage provision, any damages shall not be deemed to exceed the higher of the applicable limits of the respective coverages, and the damages shall be prorated between the applicable coverages as the limits of each coverage bear to the total of the limits.

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ARBITRATION -- PART III

If **we** and a **person** insured do not agree as to whether he or she is legally entitled to recover damages from an Uninsured Motorist or the amount of such damages, then upon written demand of either, the disagreement shall be submitted to a single neutral Arbitrator for decision, in accordance with the law of California. All other issues between **us** and any **person** insured, including the existence or limits of coverage, may not be decided by the Arbitrator, but must be decided by a Court of competent jurisdiction.

The decision of the Arbitrator in writing, up to the limits of **our** coverage, may be entered as a judgment in a proper Court. The Arbitrator shall have no jurisdiction to make an award in excess of the limits of **our** coverage nor to give an advisory opinion or award in excess of the limits of **our** coverage. The Arbitrator's fees shall be divided equally between the parties, and all other costs, including attorney fees shall be paid by the party incurring them.

NOTICE OF LEGAL ACTION -- PART III

If, before **we** make payment of loss under this part, any insured shall institute any legal action for **bodily injury** or **property damage** against any **person** or organization legally responsible therefor, a copy of the summons and complaint or other process served in connection with such action shall be forwarded immediately to **us** by any insured or the legal representative of a **person** insured.

SUBROGATION -- PART III

When **we** pay, any rights of recovery from anyone become **ours** up to the amount **we** have paid. Any insured must protect these rights and help **us** enforce them.

SUITS AGAINST US -- PART III

Suit may not be brought against **us** unless there has been compliance with all terms of this policy.

PART IV — DAMAGE TO YOUR CAR

COVERAGE E -- COMPREHENSIVE

COVERAGE F -- COLLISION

COVERAGE G -- TOWING AND LABOR COST

COVERAGE H -- RENTAL REIMBURSEMENT

COVERAGE I -- NEW AUTOMOBILE REPLACEMENT COST COVERAGE

COVERAGE J -- ADDITIONAL EQUIPMENT

OUR PROMISE TO YOU -- PART IV

We will pay for **loss** to an **automobile** insured under this part and its **equipment** for the coverage specified in the declarations. The payment for each **loss** will be reduced by the applicable deductible.

We will pay, subject to the limits specified in the declarations, for **loss** to any **additional equipment** which would be payable under either the **Collision** or **Comprehensive** coverage, provided **you** purchased the optional Additional Equipment Coverage.

TOWING AND LABOR COST -- PART IV

We will pay for reasonable and necessary towing and labor costs incurred because of disablement of an **insured automobile**. The labor must be performed at the place of disablement. The total limit of **our** liability for each **loss** is stated on the declarations page.

RENTAL REIMBURSEMENT -- PART IV

We will reimburse **you** up to the amount stated on the declarations page when **you** rent an **automobile** from a public automobile rental agency or garage due to a **loss** to an **insured automobile** which would be payable under either **Collision** or **Comprehensive** coverage. **We** will not pay mileage or fuel charges. **We** will not pay collision damage waiver or other insurance charges. Reimbursement will begin on:

(a) the date the **insured automobile** is delivered to

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a garage for repairs, if the **insured automobile** is drivable; or

- (b) the date the **loss** is reported to **us**, if the **insured automobile** is disabled or stolen.

Reimbursement ends:

- (a) when repairs to the **insured automobile** are completed; or
- (b) the day following the settlement offer, if **we** offer settlement in lieu of repairs; or
- (c) when **you** incur 30 days rent;
- (d) whichever occurs first.

Any reimbursement payable under Coverage H (Rental Reimbursement) is reduced to the extent it is payable under **Comprehensive** coverage.

NEW AUTOMOBILE REPLACEMENT COST COVERAGE -- PART IV

We will pay the replacement cost of an **insured automobile** deemed a **total loss** and insured under this Part for the **Collision** and **Comprehensive** coverages specified in the declarations. Payment will be reduced by the applicable deductible, and based upon the **replacement cost** as defined in this part. This coverage is effective on the day **you** or **your resident child** takes delivery of an **automobile** and expires one year later at 12:01 a.m. This coverage applies to an **insured automobile** provided that:

- (a) **you** have maintained **Comprehensive** and **Collision** coverage on the **automobile** since its acquisition;
- (b) **you** are the original owner of the **automobile**;
- (c) the **automobile** was a current model year vehicle at the time of purchase, or a prior model year vehicle that was purchased within 90 days of the introduction of an officially released succeeding model;
- (d) the **automobile** was purchased in the United States.

ADDITIONAL PAYMENTS -- PART IV

- (a) **We** will pay a maximum of \$20 a day for the cost of transportation actually incurred by **you** because of the theft of **your** entire **insured automobile** insured under this part for **comprehensive**. This coverage begins 48 hours after **you** have reported the theft to **us** and ends after 30 days or when the

automobile is returned to **use** or when **we** offer settlement, whichever comes first.

- (b) If a **loss** to **your insured automobile** is covered under this part, or if a **loss** is not covered because it does not exceed the deductible, **we** will pay up to \$250 for **loss** to **contents**, provided the **loss** to **contents** does not result from theft and occurs at the same time and from the same cause as the **loss** to the **automobile**.
- (c) If any of **your insured automobiles** are insured under this part for **collision**, **we** will pay reasonable loss of use charges, up to a maximum of \$500, imposed by a rental company while the rental car is being repaired after an **accident**.

PERSONS INSURED -- PART IV

- (a) In the **use** of an **insured automobile**, the following are insured:
 - (1) **you**;
 - (2) a **relative**;
 - (3) any **person** or organization using or having custody of **your insured automobile** with **your** permission, other than any bailee in the **automobile business** or any agent or employee thereof.
- (b) In the **use** of an **additional insured automobile** the following are insured:
 - (1) **you**, provided **you** are the operator of the **automobile** and have the permission of the owner;
 - (2) a **relative**, provided the **relative** is the operator of the **automobile** and has the permission of the owner.

AUTOMOBILES INSURED -- PART IV

- (a) **Insured Automobile**, as defined in this part.
- (b) **Additional Insured Automobile**, as defined in this part.

DEFINITIONS -- PART IV

Additional Equipment -- means any of the following **equipment**, which is not the vehicle manufacturer's standard **equipment** or installed by a factory authorized dealer at the time of purchase:

- (a) any video, electronic sound reproducing or transceiving **equipment** and its component parts.

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- (b) any painted or finished surface, whether refinished in whole or in part, of any **automobile** insured under this part where the claim exceeds the cost of duplicating the vehicle manufacturer's standard surface finish.
- (c) tires, wheels or any exterior surface **equipment**, or modification thereto, which exceed the cost of repairing or replacing the vehicle manufacturer's standard **equipment**.
- (d) any engine, transmission or suspension parts, or modification thereto, which exceeds the cost of repairing or replacing the manufacturer's standard **equipment**.

Additional Insured Automobile -- means an **automobile** or **utility trailer** not **owned** nor available for regular **use** by **you**, a **relative** or a **resident** of the same household in which **you** **reside**, **used** with the permission of the owner.

Camper Body -- means a detachable unit designed to be **used** as temporary living quarters, including all **equipment** and accessories built into and forming a permanent part of the unit.

Collision -- means the colliding of an **automobile** with another object or upset of an **automobile**.

Comprehensive -- means **loss** caused by other than **collision** and includes, but is not limited to, breakage of glass and **loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion or contact with an animal or bird.

Breakage of glass and **loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion or contact with an animal or bird shall not be deemed **loss** caused by **collision** or upset. **Loss** caused by hail, water, moisture or flood shall not include any damages in whole or in part, due to fungus or mold.

Contents -- means wearing apparel and luggage,

owned by **you** or a **relative** or for which **you** may be legally liable, while contained in an **automobile**.

Equipment -- means **equipment** permanently attached to the **automobile** and common to its use.

Equivalent -- means an **automobile** that matches as closely as possible the same year, make, model, body type and **equipment** as the **insured automobile**. **We** reserve the right to determine what is equivalent.

Insured Automobile -- means:

- (a) an **automobile** or **utility trailer** described in the declarations;
- (b) an **automobile** or **utility trailer** not **owned** by **you** while temporarily **used**, with the permission of the owner, as a substitute for any **automobile** or **utility trailer** insured under this part which is **owned** by **you** when withdrawn from normal **use** for servicing or repairs or because of its breakdown, **loss** or destruction;
- (c) an **automobile**, ownership of which is acquired by **you**, provided:
 - (1) the acquired **automobile** has replaced an insured **automobile** and **you** have transferred title and possession of the replaced **automobile** and have notified **us** within 30 days; or
 - (2) **we** insure all **automobiles** then **owned** by **you**, and **you** notify **us** within 30 days after **you** take delivery requesting **us** to provide insurance;
- (d) an **automobile**, ownership of which is acquired solely by **your resident child**, who is not specifically excluded by name on an endorsement to the policy, provided:
 - (1) the acquired **automobile** has replaced an insured **automobile** and **your resident child** has transferred title and possession of the replaced **automobile** and **you** or **your resident child** have notified **us** within 30 days; or

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- (2) **we** insure all **automobiles** then **owned** by **your resident child**, and **you** or **your resident child** notify **us** within 30 days after **your resident child** takes delivery requesting **us** to provide insurance.

Loss -- means direct and accidental damage or theft.

Replacement cost -- means the cost to purchase the **insured automobile**:

- (a) when available in a local market, an **automobile** of the same year, make, model, body type and **equipment** as the **insured automobile**; or
- (b) when not available in the local market, an **automobile equivalent** to the **insured automobile**.

Total loss -- means an **automobile** where the cost to repair exceeds the actual cash value of the **automobile**. **We** reserve the right to determine when an **automobile** is a **total loss**.

WHAT IS NOT COVERED -- EXCLUSIONS -- PART IV

Under Part IV, this policy does not apply to **loss** or damage directly or indirectly:

- (a) to any **automobile** or **utility trailer** while **used** to carry persons for a charge, but this exclusion does not apply to shared-expense car pools;
- (b) to any **automobile** or **utility trailer** while rented or leased to others;
- (c) to an **additional insured automobile** while **used** in the **automobile business** or, if a **utility trailer**, while **used** in any **business** of a person insured;
- (d) due and confined to wear and tear, deterioration or depreciation, freezing, mechanical or electrical breakdown or failure, unless such damage results from a theft covered under this part;
- (e) due to a lack of lubricant, coolant, or **loss** resulting from seepage of water;

- (f) to tires, unless caused by fire, malicious mischief, vandalism, theft, or unless the damage occurs at the same time and from the same cause as other damage covered under this part;
- (g) to any **automobile** while operated in any race or speed contest;
- (h) due to confiscation by government or civil authority or repossession by such authority or by any person or entity acting on behalf of the **automobile's** true owners;
- (i) due to radioactive contamination;
- (j) due to war, civil war, insurrection, rebellion, revolution, nuclear reaction or any consequence of any of these;
- (k) any tapes, compact discs or similar items **used** with video, electronic sound reproducing or transceiving **equipment**;
- (l) to a **camper body** or van conversion either permanently installed or detachable unless **we** are requested and agree to provide insurance prior to **loss**.
- (m) under New Automobile Replacement Cost Coverage, to any of the following:
 - (1) an **additional insured automobile**;
 - (2) a leased or rented **automobile** unless the **automobile** is described in the declarations or is an **insured automobile** as defined in Definitions--Part IV, subsection (c) or (d);
 - (3) a **utility trailer** or motor home;
 - (4) a **camper body** or van conversion, either permanently installed or detachable;
 - (5) **loss** from theft, larceny, malicious mischief, vandalism or fire;
 - (6) **insured automobile** as defined in Definitions -- Part IV, subsection (b).
- (n) to any **additional equipment** in excess of \$1000 unless **you** purchased Coverage J, Additional Equipment.
- (o) due to conversion, embezzlement or secretion by any person who has the **automobile** insured due to any lien, rental, lease, consignment or sales agreement.
- (p) caused by any accidental or intentional discharge, dispersal or release of pathogenic

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or poisonous biological material.

- (q) caused by any intentional discharge, dispersal or release of chemical or hazardous material for any purpose other than its safe and useful purpose. However, this exclusion does not apply to any physical damage resulting from a single act of vandalism by an individual person or persons that is directed solely at **your insured automobile** or an **additional insured automobile**.

LIMITS OF LIABILITY -- PART IV

- (a) If the **loss** involves the **insured automobile** described in the declarations, **we** will pay the actual cash value of damaged or stolen property, or the amount necessary to repair or replace the property, whichever is less. Any payment will not include any claimed diminution in the value of the **insured automobile**.
- (b) If the **loss** involves an **insured automobile** not described in the declarations or an **additional insured automobile**, **we** will pay the lesser of the actual cash value of damaged or stolen property or the amount necessary to repair or replace the property. Any payment will not include any claimed diminution in the value of the **automobile** insured.
- (c) If any parts for any **automobile** insured under this part are not obtainable in the United States of America, **our** liability for such parts shall not exceed the list price if such parts were available in the United States of America.
- (d) The deductible shall not apply if the **loss** results from an accidental **collision** between any **automobile** insured under this part and an **automobile** insured under another policy by **us**.
- (e) If a **loss** involves two or more **automobiles** insured by **us**, the applicable deductible shall apply separately to each **automobile owned by you** or a **relative** and insured by **us**.
- (f) **We** will pay no more than \$500 for a **utility trailer** not **owned by you** or a **relative**.
- (g) Under the New Automobile Replacement Cost

Coverage, the most **we** will pay is the **replacement cost** of an **insured automobile** less any applicable deductible.

- (h) If the **loss** involves any **additional equipment**, we will pay no more than an aggregate of \$1000, unless **you** have purchased Coverage J, Additional Equipment.
- (i) The Additional Equipment liability limit for each **accident** as stated in the declarations (Coverage J) is the maximum **we** will pay for all damages to all **additional equipment**.

OTHER INSURANCE OR FINANCIAL PROTECTION-- PART IV

If there is other **automobile** physical damage insurance for a **loss** covered by this part, **we** will pay no greater portion of the **loss** than the limits of this policy bear to the combined limit of all policies that apply to the **loss**.

If **you** have other valid and collectible physical damage insurance that applies to an **insured automobile** newly acquired by **you**, this part does not apply.

Any insurance afforded under this part for an **insured automobile** not **owned by you**, for an **additional insured automobile** or for **loss** occurring in Mexico shall be excess over any other valid and collectible **automobile** physical damage insurance.

Any insurance afforded under the New Automobile Replacement Cost Coverage shall be excess over any other insurance or financial protection that applies to any covered **insured automobile**.

PAYMENT OF LOSS -- PART IV

At **our** option **we** may:

- (a) pay for a **loss** taking into consideration betterment or depreciation; or
- (b) repair or replace any damaged or stolen property taking into consideration betterment or depreciation; or
- (c) before settlement return stolen property to

Auto Policy Contract

you or to the address shown in the declarations, having repaired any damage covered; or

- (d) take title and possession of all or part of the property at the agreed value, but there shall be no abandonment to **us**; or
- (e) settle this claim or **loss** either with **you** or the owner of the property.
- (f) If the New Automobile Replacement Cost Coverage applies, **we** will pay the **replacement cost** of the **insured automobile**.

RIGHT TO APPRAISAL

If **we** and the person insured do not agree on the amount of **loss**, either may demand an appraisal of the **loss**. In this event, each party will select an appraiser. The appraisers will state separately the actual cash value and the amount of **loss**. If they fail to agree, they will submit their differences to an umpire chosen by them. A decision agreed upon by any two of these three persons will be binding. Each party will:

- (a) pay its chosen appraiser; and
- (b) bear the expenses of the appraisal and umpire equally.

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

SUBROGATION -- PART IV

When **we** pay, any rights of recovery from anyone become **ours** up to the amount **we** have paid. Any

insured must protect these rights and help **us** enforce them.

SUIT AGAINST US -- PART IV

Suit may not be brought against **us** unless all terms of this policy have been fully complied with and until 30 days after proof of **loss** is filed and the amount of **loss** is determined as provided by this policy.

DUTIES -- PART IV

In addition to fulfilling the required duties, any person insured under this policy shall:

- (a) Cooperate with **us** and, at **our** request, attend hearings and trials and assist in making settlements, in securing and giving evidence, in obtaining the attendance of witnesses and in the conduct of suits.
- (b) Take reasonable steps after **loss** to protect an **automobile** insured under this part and its **equipment** and **additional equipment** from further **loss**. **We** will pay reasonable expenses incurred in providing that protection.
- (c) Promptly report the theft of an **automobile** or its **equipment**, **additional equipment** or parts to the police.
- (d) Allow **us** to inspect and appraise any **loss** covered under this part, and at **our** discretion obtain such estimates as **we** deem necessary before repair or disposal of the vehicle.

IN WITNESS WHEREOF, The Company named on the declarations page has caused this policy to be signed by the officers shown below.

by



by

