

The Tennessee Personal Automobile Policy from Direct Insurance Company establishes the terms and conditions for coverage of insured vehicles, emphasizing the necessity for policyholders to disclose all drivers aged 14 and older residing with them, as failure to do so may lead to coverage denial for those undisclosed drivers. Coverage for permissive drivers is restricted to the minimum required by Tennessee law, excluding them from damage provisions for the insured vehicle. The policy, which serves as a legal contract, includes the Declarations Page and any endorsements detailing coverage, limits, and premiums, with timely premium payment being essential for maintaining coverage.

Key coverage sections encompass liability coverage, medical payments, uninsured motorist coverage, and damage to the insured vehicle, each specifying insuring agreements, exclusions, limits of liability, and additional duties for the policyholder. Liability coverage provides for compensatory damages due to bodily injury or property damage from the use of a covered auto, with exclusions for intentional acts, damage to property owned by the insured, and injuries to employees during employment. Medical payments coverage is limited to expenses incurred within one year of the accident and excludes intentional injuries and those arising from employment-related incidents. Uninsured motorist coverage applies to injuries from accidents involving uninsured vehicles, with specific definitions and exclusions, including injuries sustained while engaged in employment or unlawful activities.

The policy outlines the insured's obligations post-accident, including timely claim filing and reporting changes, with failure to comply potentially resulting in coverage denial. It specifies conditions for policy termination, including cancellation, nonrenewal, and automatic termination, along with procedures for reinstatement. Misrepresentation or fraud can lead to policy voidance, and coverage is not provided for vehicles used for business purposes or certain vehicle types not classified as "autos." The policy also includes provisions for the assignment of benefits, arbitration, and the statute of limitations for claims.

Definitions of key terms such as "non-owned auto," "permissive driver," and "property damage" are provided, clarifying coverage scope and exclusions. The policy specifies that coverage for bodily injury and property damage extends to legal liability for acts of individuals covered under the policy, with supplementary payments for legal proceedings and specific exclusions for costs related to declaratory judgment actions. The limit of liability for permissive drivers is capped at state minimums, and payments under liability coverage will be reduced by amounts paid under medical payments or uninsured motorist coverage.

The policy also details coverage for collision and comprehensive losses, with deductibles applicable, and includes provisions for towing, labor, and rental reimbursement. Exclusions for property damage claims under uninsured motorist coverage are emphasized, including a \$200 deductible and restrictions on settlements without prior consent from the insurer. The policy mandates that disputes regarding liability or damages be resolved through arbitration, with specific procedures outlined.

Premium payment conditions are strict, with the policy potentially voided for nonpayment or misrepresentation. Cancellation can occur by either party, with specific notice requirements, and reinstatement is possible under certain conditions. The policyholder must report any changes affecting premiums, and legal actions against the insurer can only be initiated after full compliance with policy terms. The insurer retains subrogation rights and may recover payments made if fraud is discovered.

Overall, the policy provides comprehensive coverage while clearly defining the responsibilities and limitations for the insured, ensuring that all parties understand their obligations and the scope of coverage.