

The North Carolina Personal Automobile Policy is a legal contract between the insured and the insurance provider, outlining coverage, exclusions, and obligations. The policy includes a Declarations Page that specifies the insured's name, address, vehicle details, and coverage amounts. It provides liability coverage for bodily injury and property damage resulting from auto accidents, with the insurer agreeing to pay damages and defend claims within specified limits. Supplementary payments cover costs for bail bonds, lost wages due to attendance at hearings, and emergency first aid expenses. Exclusions to liability coverage include intentional acts causing injury or damage, property damage to owned or transported property, injuries to employees during employment, and liabilities arising from using a vehicle as a public conveyance. Coverage is also excluded when the insured is engaged in vehicle-related businesses, uses a vehicle without reasonable belief of entitlement, or is covered under a nuclear energy liability policy.

The policy defines "your covered auto" and includes provisions for newly acquired vehicles, which must be reported within 30 days for coverage to apply. The insured must fulfill certain duties after an accident, including reporting the incident and cooperating with the insurer. The policy outlines conditions for termination, renewal, and premium payments, emphasizing the importance of understanding the terms for effective coverage. The limit of liability for Bodily Injury Liability Coverage is specified in the Declarations, representing the maximum amount payable for damages sustained by any one person in a single auto accident, applicable regardless of the number of insured individuals, claims, vehicles, or premiums involved. For Property Damage Liability Coverage, a similar limit applies to all damages resulting from one auto accident. If an accident occurs out of state, the policy will adjust to meet higher state-required liability limits, but duplicate payments for the same loss are not permitted. Compliance with financial responsibility laws is also required.

Medical Payments Coverage provides for reasonable medical and funeral expenses incurred due to bodily injury from an accident, provided these expenses are incurred within three years of the

accident, with exclusions for experimental treatments or services not recognized as medically appropriate. The insured includes the policyholder, family members, and others occupying the covered auto. Exclusions for this coverage include injuries sustained while using the covered auto as a public conveyance, while engaged in vehicle-related business activities, or while occupying vehicles not owned or regularly used by the insured.

Uninsured Motorists Coverage compensates for damages from uninsured motor vehicles, covering bodily injury and property damage, with exclusions for claims settled without the insurer's consent, injuries while using the covered auto as a public conveyance, and damages from hit-and-run vehicles. The limits of liability for Uninsured Motorists Coverage are specified in the Declarations, mirroring the limits for Bodily Injury Liability Coverage. The policy also includes Combined Uninsured/Underinsured Motorists Coverage, which pays compensatory damages for bodily injury and property damage caused by uninsured or underinsured motor vehicles, contingent upon the exhaustion of liability limits from other applicable policies.

The property damage liability limit under this coverage is reduced by any sums paid for property damage by or on behalf of legally responsible parties. Payments made under this coverage will reduce any recoverable amounts for the same damages under other parts of the policy. In cases where multiple auto insurance policies apply to the same accident, the maximum payable for injuries caused by an uninsured or underinsured vehicle will be the sum of the highest liability limits from each policy. Disputes regarding entitlement to damages or the amount can be settled through arbitration, with specific procedures outlined for selecting arbitrators and conducting the arbitration process.

Coverage for damage to the insured's auto includes direct and accidental loss to covered or non-owned vehicles, with specific conditions for collision and other-than-collision coverage. Payments will be reduced by any applicable deductible, which does not apply to certain types of

losses such as fire or theft. Exclusions include losses while the vehicle is used as a public conveyance, damage due to wear and tear, and losses resulting from war or civil unrest. The limit of liability for losses will be the lesser of the actual cash value of the property or the cost to repair or replace it, excluding any depreciation after repairs.

The policy specifies that it does not benefit any carrier or bailee for hire and that in cases where other insurance covers a loss, the insurer will only pay its proportional share based on its limit of liability. An appraisal process is available for disagreements on the loss amount. Coverage for a Loss Payee applies to their interest in the covered auto but terminates 10 days after notice of cancellation or nonrenewal is sent. The policyholder must promptly notify the insurer of any accidents or losses, cooperate in investigations, and submit necessary documentation, including proof of loss. Additional duties apply for claims involving uninsured or underinsured motorists.

The policy remains effective for accidents occurring during the specified period and within the defined territory, which includes the U.S., Puerto Rico, and Canada. Cancellation can occur by the named insured returning the policy or providing written notice, while the insurer must give notice for cancellation due to nonpayment or other reasons. Nonrenewal notices must be sent at least 60 days prior to the policy's expiration for certain coverages. The policy cannot be assigned without written consent from the insurer, but coverage may extend to a surviving spouse or legal representative in the event of the named insured's death. The insurer's obligations remain regardless of the insured's financial status, and premiums may be adjusted based on changes in information related to the insured vehicles or drivers. Legal actions against the insurer require full compliance with policy terms and may only be initiated after a written agreement or a final judgment is reached regarding the insured's obligation to pay. The policy is governed by the laws of North Carolina, and all claims or disputes related to the policy will also be subject to North Carolina law.