



SUPERIOR UNDERWRITERS

Superior Underwriters General Agency, Inc.
P. O. Box 34180
Las Vegas, Nevada 89133
Managing General Agent for:
Redpoint County Mutual Insurance Company
Austin, Texas
(A County Mutual Company)

TEXAS AUTO POLICY

Form Number: TXSUPOL2024

Please read your policy. It sets forth **your** coverage(s) as well as definitions, conditions, exclusions, limitations and other terms. **Your** policy also states duties for this insurance to apply.

Call us at 1-877-794-0104 as soon as possible in the event of an auto accident. If **you** have any other questions about **your** policy, call **us** at **1-877-794-0104**.

OUR FRAUD POLICY

To keep the lowest rates, **we** have an Active Fraud Prevention Policy. Under the **Superior Underwriters** policy terms, **we** state **we** do not provide coverage or benefits for any **person** who has engaged in fraudulent conduct or misrepresents a material fact to **us** in connection with any **accident, loss,** or a claim. Any **person** who knowingly presents a false or fraudulent claim may be guilty of a **crime** and may be subject to fines and/or confinement in **state** prison. It is **our** policy to fully investigate suspicious claims and fully prosecute perpetrators of the law. Cost savings from fraud prevention helps **us** keep **our** premiums as low as possible.

We may declare this policy null and void if any **information** on **your application** is false, misleading, or materially affects the risk **we** assume by issuing the policy. In accordance with Texas Insurance Code Section 705.004(b), this applies if it is shown at trial that the matter misrepresented was material to the risk or contributed to the contingency or event on which the policy became due and payable. **We** may declare this policy null and void or deny coverage for a **loss** if **you** do not comply with **your** continuing duty of advising **us** of any change to the policy. In accordance with Texas Insurance Code Section 705.003(b), this applies if it is shown at trial that the matter misrepresented was fraudulently made, misrepresented a fact material to the question of **our** liability under the policy and misled **us** and caused **us** to waive or lose a valid defense in the policy.

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Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company or HMO first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company or HMO. If you don't, you may lose your right to appeal.

Redpoint County Mutual Insurance Company

To get information or file a complaint with your insurance company or HMO:

Call: Superior Underwriters General Agency, Inc.
Director of Policy Operations at 877-794-0104
Toll-free: 1-877-794-0104

Online: www.superiorgroup.us
Email: Support@Superiorgroup.us
Mail: P.O. Box 34180, Las Vegas, NV 89133

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state: Call with a question: 1-800-252-3439

File a complaint: www.tdi.texas.gov Email: ConsumerProtection@tdi.texas.gov

Mail: MC: CO-CP, Texas Department of Insurance, P.O. Box 12030, Austin, TX 78711-2030.

To compare policies and prices

Visit HelpInsure.com to compare prices and coverages on home and auto insurance policies. The website is a service of the Texas Department of Insurance and the Office of Public Insurance Counsel.

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros o HMO. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

Redpoint County Mutual Insurance Company

Para obtener información o para presentar una queja ante su compañía de seguros o HMO:

Llame a: Superior Underwriters General Agency, Inc.
Director de Operaciones Políticas al 877-794-0104
Teléfono gratuito: 1-877-794-0104

En línea: www.superiorgroup.us
Correo electrónico: Support@Superiorgroup.us
Dirección postal: P. O. Box 34180, Las Vegas, NV, 89133

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado: Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC: CO-CP, P.O. Box 12030, Austin, TX 78711-2030

Para comparar pólizas y precios

Visite HelpInsure.com para comparar precios y coberturas en pólizas de seguro para el hogar y automóvil. El sitio web es un servicio del Departamento de Seguros de Texas y de la Oficina del Asesor Público de Seguros (Office of Public Insurance Counsel, por su nombre en inglés).

GENERAL AGREEMENT TO INSURE

1. Subject to all terms of this policy, **we** agree to insure **you** for the coverages **you** buy from **us**, as shown on the **declarations page**, if:
 - a. The premium and charges for this policy are paid when due; and
 - b. Subject to the Fraud and Misrepresentation section of this policy.
2. **We** deem premium and other charges to be paid when:
 - a. Payment is honored by **your** financial institution if the payment is made by a non-cash method such as check, ACH, EFT, or credit card; or
 - b. Paid in cash to **us** or **our** authorized agent.
3. This policy is part of a binding legal contract between **you** and **us**. The contract also includes all of these forms (which are all hereby made a part of this policy as if attached):
 - a. The **application**, and **information** within it upon which **we** relied when issuing this policy;
 - b. The **declarations page**;
 - c. Endorsements **we** issue; and
 - d. Coverage election and rejection forms.
4. No coverage or benefits are provided under this policy unless there is full compliance with all of its terms and conditions.
5. Bolded terms used in this policy shall have the meaning shown in the **Policy Definitions** except when defined in the coverage part.

POLICY PERIOD – WHEN THIS INSURANCE APPLIES

This policy applies to **accidents** and **losses** that occur during the policy period which:

1. Starts on:
 - a. The effective date and time shown on **your application**, which is when **we** or **our** authorized agent receive payment for this policy; or
 - b. 12:01 a.m. on a future effective date, as requested by **you** as shown on the **declarations page**; and
2. Ends the earlier of:
 - a. The end of the policy period shown on the **declarations page**; or
 - b. The effective date and time of any Cancellation or Automatic Termination event set forth in this Policy.The time zone that applies to the garaging address location shown on the **declarations page** will apply with respect to any time shown on the **declarations page** or in a cancel notice or other notice.

TERRITORY – WHERE THIS INSURANCE APPLIES

This policy applies to **accidents** and **losses** that occur during the policy period within any **state**.

DUTY TO REPORT AN ACCIDENT OR LOSS

IMPORTANT: A person who fails to report an accident or loss may be denied some or all coverage and/or benefits.

If an **accident** or **loss** occurs, any **person** seeking coverage or benefits under this policy must:

1. **REPORT IT TO US. Promptly call us at 1-877-794-0104, or our authorized agent, if there is an accident or loss.**

You or any **person** insured or claiming coverage must:

- a. Contact **us** within 24 hours, or as soon as practicable, after an **accident** or **loss** occurs; and
- b. Promptly give **us** the following **information** when possible and as it becomes available:
 - (1) **Your** name, address, telephone number and policy number;
 - (2) All facts and circumstances of the **accident** or **loss, including, but not limited to**, how the incident occurred, place, date, time, weather conditions, and **law enforcement** action;
 - (3) A description and details of any:
 - (a) **Bodily injury** sustained by any **person** involved in the **accident**;
 - (b) **Property damage** sustained in the **accident**; and
 - (c) **Loss** incurred by **you**, or anyone insured by this policy;
 - (4) Names and addresses of:
 - (a) All **persons** involved or injured in the **accident**; and
 - (b) All known witnesses;
 - (5) The license plate numbers, and descriptions of all vehicles involved; and
 - (6) Description of any other policy of insurance or self-insurance that may apply to a driver, vehicle, trailer, **person** or property involved in the **accident** or **loss**.

2. **COMPLETE A POLICE REPORT.**

For **accidents** or **losses** that involve:

- a. Hit-and-run vehicles;
- b. Unidentified **motor vehicles**; or
- c. Vandalism or theft;

the **accident** or **loss** must be reported to **law enforcement** within 24 hours, or as soon as is practicable, after the **accident** or after the discovery of the vandalism or theft.

OTHER DUTIES OF A PERSON CLAIMING COVERAGE

IMPORTANT: A person who fails to perform any duty listed here or in this policy, or who fails to properly comply with all policy terms, may be denied some or all coverage and/or benefits.

If an **accident** or **loss** occurs, any **person** seeking coverage or benefits under this policy must:

1. **COOPERATE WITH US.** A **person** who claims coverage or benefits must cooperate with **us** in all matters. This **includes but is not limited to** all of the duties listed below.
2. Give **us** written or sworn proofs of **loss** as **we** may require.
3. Not admit fault or assume any obligation to other **persons** or parties.
4. Not incur any expense, other than reasonable expense after the **accident** or **loss** to protect property from any further **loss**, unless at that **person's** own expense.
5. With respect to any claim or lawsuit:
 - a. Help **us** and cooperate with **us** in all matters **including, but not limited to** investigation, settlement, and defense.
 - b. Promptly give **us** any legal papers and evidence.
 - c. When **we** ask, be present at depositions, hearings, arbitrations, mediations, and trials.
 - d. Protect **our** rights and get **our** written consent prior to settling or getting recovery from a legally liable **person** or party.
6. When and as often as **we** reasonably ask, give **us**:
 - a. Signed statements;
 - b. Recorded statements; and
 - c. Statements under oath.These examinations may be conducted by **us** or **our** representative. **We** may require that statements be made individually and outside the presence of **persons** claiming coverage or benefits and witnesses (with the exception of a minor who may have a parent or guardian present).
7. Be examined by doctors **we** choose when **we** reasonably request a physical or mental exam. **We** will pay for those exams.
8. Give **us** the following when relevant to the **accident, loss, bodily injury, property damage** or claimed damages, or which will lead to relevant **information**:
 - a. Medical records and reports reasonably related to the **accident, loss, bodily injury, property damage** or damages asserted;
 - b. Employment and wage records; and
 - c. Other relevant records, **including, but not limited to**:
 - (1) **Business** and/or financial records. However, this does not include tax returns, unless the claim involves a claim for loss of profits or income;
 - (2) Sales agreements and rental documents;
 - (3) Audio and video recordings;
 - (4) Phone records including cell phone records;
 - (5) Computer and electronic records;
 - (6) Current and prior insurance claims records;
 - (7) Access to any on-board computer in the **covered auto**;
 - (8) Global Positioning System (GPS) data records;

- (9) Data and/or records of data contained in an Event Data Recorder or similar device;
 - (10) **Loss payee or lienholder** records; and
 - (11) Vehicle forensic analysis.
9. Give **us** written authorization to get:
 - a. Medical records and reports reasonably related to the **accident, loss, bodily injury, property damage** or damages asserted;
 - b. Employment and wage records; and
 - c. Other relevant records, **including, but not limited to** the records listed in clause 8.c., above.
 10. Take reasonable steps after the **accident** or **loss** to protect property from any further **loss**. **We** will pay reasonable expenses to do so. If **you** do not protect property, further **loss** will not be covered.
 11. Allow **us** to inspect and/or photograph any **auto** or vehicle a **person** was **using** at the time of, or that was involved in, an **accident** or **loss**.
 12. Allow **us** to inspect, photograph and appraise the damaged property before its repair or disposal.
 13. Take reasonable steps after an **accident** or **loss** to prevent costs that are not **necessary including, but not limited to**, storage fees, impound fees, and parking fees.

OUR DUTIES WHEN SETTLING A CLAIM

We will make every effort to promptly pay claims covered under this policy in accord with Texas insurance laws, as amended.

In accord with Texas insurance law, the following claims standards will apply in any first party claim made by, and to be paid to, **you**, a **person** insured under this policy or a named beneficiary:

1. Not later than 15 days after the date **we** receive written notice of a claim that reasonably apprises **us** of the facts relating to the claim, **we** will:
 - a. Acknowledge receipt of the claim. If **our** acknowledgment of receipt of a claim is not made in writing, **we** will make and keep a record of the date, manner, and content of the acknowledgment.
 - b. Begin any investigation of the claim.
 - c. Request from the claimant all items, statements, and forms **we** reasonably believe will be **necessary** to settle the claim. **We** may request additional, **necessary information** during the investigation of the claim.
2. After the date **we** receive all **information** required by **us** to secure final proof of **loss**, **we** shall notify a claimant in writing of **our** decision to accept or reject a claim within either:
 - a. 15 **business days**; or
 - b. 30 days if **we** reasonably believe the **accident** or **loss**

resulted from arson.

3. If **we** are unable to accept or reject a claim within the time periods set forth above, within that same time period, **we** shall:
 - a. Notify the claimant of the reasons why **we** need additional time; and
 - b. Request, in writing, any specific additional **information we** reasonably believe is **necessary** to make a decision.Within 45 days of the date, **we** give such notice described here, **we** then will accept or reject the claim.
4. **Loss Payment:** **We** will pay the claim, or any part of the claim, not later than the 5th **business day** after the date:
 - a. Of the written notice that **we** have accepted the claim or part of the claim; or
 - b. The claimant performs any act deemed **necessary** as a condition of claim payment.
5. In the event of a weather-related catastrophe or major natural disaster, as defined by the Commissioner of Insurance, the claim-handling deadlines described above will be extended for an additional 15 days.

NOTICE FROM US WHEN SETTLING A LIABILITY CLAIM

If **we** make an offer to settle a claim against an **insured person** covered under Part I – Liability Coverage, **we** will notify the **insured person** in writing no later than the:

1. 10th day after the date **we** make an initial offer to settle a liability claim against an **insured person** under Part I; and
2. 30th day after the date a liability claim against an **insured person** under Part I is settled.

POLICY DEFINITIONS

Some of the words and phrases in this policy are defined to make the policy easier to read.

When shown in **bold** print, the words and phrases below are defined as set forth here. These definitions apply throughout this policy, including when the word or phrase is used in its singular, plural, possessive, active or passive form or, if a verb, when used in any verb tense.

In this policy:

1. “**Accident**” means a sudden and:
 - a. Unforeseen; and
 - b. Unexpected;event that causes **bodily injury** or **property damage** and arises out of the ownership or **use** of a **motor vehicle**.
2. “**Actual cash value**” means, at the time of the **accident** or **loss**, the fair market value of the stolen or damaged property. The fair market value is affected by:

- a. The age, mileage, and physical condition of the property; and
 - b. **Depreciation** and prior damage; which may reduce value.
3. “**Additional acquired auto**” means any **auto you** acquire, other than a **replacement auto**, when **you** become the **owner** during the policy period in effect if **you** pay the premium required by **us**.
As to an **additional acquired auto**:
 - a. It will have the same coverage as the **auto** shown in the **declarations page** with the broadest coverage.
 - b. If **you** do NOT ask **us** to insure the **additional acquired auto** within 20 days after **you** become the **owner**, no insurance applies to that **additional acquired auto** during or after that initial 20 days. However, coverage may be added after **you** ask **us** to insure it and **we** agree to insure that **additional acquired auto**.
 4. “**After-market parts**” (also called non-OEM) means automotive replacement parts made by a company other than the original equipment **manufacturer**, but the parts are made to have the same fit and function as the original parts.
 5. “**Application**” means the form(s) or on-line screens used by **us** or **our** agent to get **information** about **you** on which **we** rely for purposes of issuing this policy. The **application** is used to decide if **we** will insure **you**, what coverage(s) **you** will be able to buy, and the premium **you** will have to pay. The **application includes, but is not limited to**, any form(s) or process used by **us** or **our** agent:
 - a. For **you** to:
 - (1) Select or reject coverage(s); or
 - (2) Make coverage elections (such as lower limits, deductibles, and driver elections); and
 - b. Any additional request from **us** to **you** for **information** to issue or service **your** policy, and any renewal questionnaire.
 6. “**Auto**” means a **motor vehicle** of the private passenger type sedan, pickup truck, van or utility vehicle that:
 - a. Has a gross vehicle weight rating stated by the **manufacturer** that is no greater than 25,000 pounds;
 - b. Is subject to **state motor vehicle** registration laws; and
 - c. Is designed for **use** on public roads and highways.However, the term **auto** does not include any:
 - a. Step-van or vans with cabs apart from the cargo area;
 - b. Motorcycles, motorized mini-bikes, dirt bikes, or any 2-wheel or 3-wheel vehicles;
 - c. All-terrain vehicles (ATVs);
 - d. Golf carts;
 - e. Tractors or farm machines;
 - f. Vehicles driven on crawler treads, rails, or skis;
 - g. Road machinery;
 - h. Recreational vehicles; or

- i. Vehicles when parked and **used**:
 - (1) As a residence or premises; or
 - (2) For office, store or display purposes.
- 7. “**Bodily Injury**” means:
 - a. Bodily harm or physical injury to a **person** that occurs during the policy period; and
 - b. Sickness, disease, or death resulting from the physical injury referred to in a. above. **Bodily Injury** does not include the passing of any sexually transmitted communicable disease.
- 8. “**Business**” means any full-time or part-time job, trade, profession, occupation, employment, or commercial activity of any kind.
- 9. “**Business day**” means a day of the week other than a Saturday, Sunday, or holiday recognized by the State of Texas.
- 10. “**Car trade or business**” means any **business** related to **motor vehicles**. This **includes, but is not limited to**, a **business** that sells, leases, rents, repairs, services, stores, parks, valets, washes, delivers, tests, road tests, tows or transports **autos**, other **motor vehicles** or trailers.
- 11. “**Covered auto**” means:
 - a. A **motor vehicle** that:
 - (1) Is **owned** by **you**;
 - (2) **You** have asked **us** to insure; and
 - (3) Is shown on the **declarations page**; but only for the coverage(s) that have been bought for it.
 - b. An **additional acquired auto**.
 - c. A **replacement auto**.

An **auto** or **motor vehicle** ceases to be a **covered auto** when it is sold, assigned, gifted, titled transferred, or possession permanently transferred, to anyone other than **you**, a **family member**, or an **insured driver**.
- 12. “**Crime**” means any act or omission that is:
 - a. A **state** or federal felony;
 - b. An illegal activity, trade, or transportation. However, for coverage under Part IV (only), this is a **crime** only if it is also a **state** or federal felony; or
 - c. An attempt to elude **law enforcement**.

Crime does not include misdemeanor violations of the **motor vehicle** or traffic laws other than an attempt to elude **law enforcement**.
- 13. “**Declarations page**” means the form the **named insured** receives from **us** that shows:
 - a. The types and limits of coverage **you** purchased from **us**;
 - b. The **autos** listed for this insurance;
 - c. **Insured drivers**;
 - d. The premiums charged;
 - e. Deductibles that apply;
 - f. The policy period; and
 - g. Other policy **information**.
- 14. “**Delivery of persons or property for a fee**” means to transport, deliver, or carry **persons**, products, goods, materials, property, animals, or livestock in exchange for a fee.

Delivery of persons or property for a fee includes, but is not limited to, the **use** of a vehicle for:

 - a. Wholesale or retail product deliveries;
 - b. Delivery of magazines, newspapers, products, pizza, or other food;
 - c. Delivery or Transport of animals or livestock; or
 - d. A public or livery conveyance;

This does not apply to:

 - a. A shared-expense car pool; or
 - b. **You** or any **family member** unless the primary **use** of the vehicle is to carry **persons** and property for a fee.
- 15. “**Depreciation**” means the drop in value of property due to:
 - a. Wear and tear; or
 - b. The decline in value of a car’s parts over the course of its useful life.
- 16. “**Diminution of value**” means the real or perceived decrease in market or resale value that results from an **accident, loss**, or repair.
- 17. “**Driver’s license**” means a current and valid permit, license or certificate:
 - a. Issued by a government agency; and
 - b. That authorizes a **person** to **operate a motor vehicle**.
- 18. “**Failure to pay premium**” means the premium is not paid when due. **Failure to pay premium** includes the dishonor, rejection, or refusal to pay by a financial institution of any attempt to pay premium by a non-cash method, **including, but not limited to** check, credit card, ACH, or other electronic payment method.
- 19. “**Family member**” means a **person** who:
 - a. **Resides in your household** and is:
 - (1) Related to **you** by blood, marriage, or adoption; or
 - (2) **Your** ward or foster child.
 - b. Is **your** unmarried and dependent child, ward, or foster child who:
 - (1) Temporarily lives elsewhere while away at school or in the armed forces; and
 - (2) Can demonstrate that they intend to continue to **reside with you**; and
 - c. Does not **reside** in the **named insured’s household**, but only:
 - (1) If that **person** is:
 - (a) A spouse of the **named insured**; and
 - (b) Living apart from the **named insured** during a period of separation in contemplation of divorce; and
 - (2) Until the effective date of another policy on which the spouse is shown as a **named insured** or the policyholder.

20. “**Household**” means the place:
- Where the **named insured resides**; and
 - Which is located at the address shown on the **declarations page**.
21. “**Including, but not limited to**” and “**includes, but is not limited to**” (or any other similarly worded phrase) mean a list of examples of the items, things, parts, ideas, or activities being addressed or described by preceding policy text. The list is used to illustrate the intended policy meaning but is not exhaustive or exclusive.
22. “**Information**” **includes, but is not limited to**, facts, data, statements, documents, e-mails, and other communications.
23. “**Insured driver**” is a **person** specifically identified on the **declarations page** as a regular **operator** of a **covered auto** who is not **you** or a **family member**.
24. “**Law enforcement**” means a **state**, county or local government body, unit, bureau or agency, and its employees, with lawful authority to protect citizens and enforce local, **state**, or federal ordinances, statutes, rules, or other laws. It also includes U.S. federal police, marshals, and other U.S. **law enforcement** agents.
25. “**Loss**” means sudden, direct, and accidental physical damage to, or theft of, property.
26. “**Loss payee or lienholder**” means the **person** or party who has a financial interest in the **covered auto** and has been listed on the policy as the **loss payee or lienholder**.
27. “**Manufacturer**” means a producer of goods for sale.
28. “**Minimum limits**” means the minimum amounts of liability insurance that apply to the **owner** or **operator** of an **auto** as required by a financial responsibility or compulsory insurance law of the **state** in which **you reside**, as shown in **our** records.
29. “**Mold or fungus**” means any type or form of mold, mildew, fungi, fungus, or yeast **including, but not limited to**, any of the following produced or released by those:
- Mycotoxins;
 - Spores;
 - Odors;
 - Toxins, bacteria, viruses; or
 - Any other by-products.
30. “**Motor vehicle**” means a self-propelled land **motor vehicle** that is:
- Subject to **state motor vehicle** registration laws; and
 - Designed for **use** on public roads and highways.
31. “**Named insured**” means the **person** or **persons** shown on the **declarations page** as the policyholder or designated as “**Named Insured**”.
32. “**Necessary**” means needed or required.
33. “**Non-owned auto**” means an **auto** that has a gross vehicle weight rating stated by the **manufacturer** that is no greater than 25,000 pounds, and has either four wheels, or is a six-wheel dual rear wheel pick-up truck, if it is:
- Used with the express or implied permission of the **owner** of the **auto** and within the scope of that permission;
 - Not **owned** by, registered to or available for regular or frequent **use** by **you**, a **family member**, an **insured driver**, or any **person** who **resides in your household**;
 - Not **owned** by, leased to, or rented to **your** employer or the employer of any **family member, insured driver**, or any **person** who **resides in your household**;
 - Not an **auto** rented for more than 60 consecutive days by **you**, a **family member**, an **insured driver**, or any **person** who **resides in your household**; or
 - Not an **auto** in possession, for more than 60 consecutive days, by **you**, a **family member**, an **insured driver**, or any **person** who **resides in your household**.
- A **non-owned auto** does not include a **temporary substitute auto**.
34. “**Occupy**” and “**Occupying**” means in or upon or entering into or alighting from a **motor vehicle**. In no instance shall any **person** be deemed to be **occupying** more than one **motor vehicle** at one time.
35. “**OEM parts**” means automotive replacement parts made by the original equipment **manufacturer**.
36. “**Operate**” and “**Operating**” means the act of being directly in control of a **motor vehicle**.
37. “**Operator**” means the **person** who:
- Sits in the driver’s seat behind the steering controls of a **motor vehicle**; and
 - Is **operating a motor vehicle**.
38. “**Own**”, “**owned**” and “**owns**” mean, as to a **motor vehicle**, to:
- Hold legal title; or
 - Have primary legal possession:
 - Subject to a written conditional sales agreement; or
 - Under a lease agreement of at least six continuous months.
39. “**Owner**” means, as to a **motor vehicle**, the **person** or party who:
- Holds legal title; or
 - Has primary legal possession:
 - Subject to a written conditional sales agreement; or
 - Under a lease agreement of at least six continuous months.
40. “**Pedestrian**” means a **person** who is not **occupying** a self-propelled vehicle (other than a motorized wheelchair).
41. “**Person**” means a human being. A **person** does not include any corporation, partnership, association, or **business**.
42. “**Property damage**” means:
- Physical injury to, or destruction of, tangible personal

- or real property; and
- b. Any resulting loss of use of that property; if caused solely by an **accident** insured under this policy and that occurs while this policy is in effect. This definition does not apply under Part II.
43. “**Punitive damages**” means all damages meant or awarded to:
- Punish or deter conduct by any **person** or party that is determined to be malicious, grossly negligent, wanton, willful, or fraudulent; or
 - Fine, penalize or impose a statutory penalty; that are separate from sums intended only to compensate for **bodily injury** or **property damage**. **Punitive damages include, but are not limited to, damages referred to under any law as punitive damages, exemplary damages, treble damages, or statutory multiple damages.**
44. “**Race, stunt or performance driving**” means: To engage in or prepare for any:
- Race;
 - Speed or distance contest;
 - Demolition or stunt activity;
 - Competition or timed contest or activity
 - Recreational off-road driving for the purpose of mud running, mud bogging, dune bugging, or similar activity;
- whether or not spontaneous, pre-arranged or organized.
45. “**Recycled parts**” means automotive replacement parts obtained from a similar vehicle which may be refurbished, restored, reconditioned, remanufactured, or used.
46. “**Repair Facility**” means a person who rebuilds, repairs, or services a **motor vehicle** for consideration or under a warranty, service, or maintenance contract.
47. “**Replacement auto**” means an **auto** that **you** acquire, when **you** become the **owner**, if it replaces a **covered auto** shown on the **declarations page**, and **you** pay the premium required by **us** when due.
- Insurance under this policy for a **replacement auto** (as described above) is limited as follows:
- The **replacement auto** shall have the same coverage as the **auto** it replaced until the 20th day after the date on which **you** become the owner of the **auto**.
 - You** must notify **us** of a **replacement auto** during the time prescribed by Subsection (a) above only if **you** wish to;
 - add coverage for damage to the vehicle; or
 - continue existing coverage for damage to the vehicle after the period prescribed by Subsection (a) expires.
- If **you** do not ask **us** to insure a **replacement auto** within 20 days after **you** become the **owner**, no Physical Damage Coverage otherwise applicable to the **replacement auto** will apply after the 20th day after the date on which **you**

- become the **owner** of the **replacement auto**. Physical Damage Coverage will only apply after **you** ask **us** to insure that **replacement auto** and **we** agree to add the coverage.
48. “**Reside**”, “**resides**” and “**residing**” mean to live at a dwelling which is that **person’s** legal domicile.
49. “**State**” means:
- Any **state**, territory, or possession of the United States;
 - The District of Columbia; and
 - Any province or territory of Canada.
50. “**Temporary substitute auto**” means an **auto** that is a substitute for a **covered auto** while that **covered auto** is not in **use** due to breakdown, servicing, repair, **loss**, or destruction if the substitute **auto** is:
- Rented by **you** or an **insured driver** under a written contract from a **business** engaged in renting **motor vehicles**;
 - Used** with the express or implied permission of the **owner** of that **auto** and within the scope of that permission; and
 - Not **owned** by **you**, a **family member**, or any **insured driver**.
- An **auto** ceases to be a **temporary substitute auto** the earlier of when:
- The **covered auto** it was replacing is repaired, restored to service, or replaced;
 - The **auto** is being returned; or
 - 30 days.
51. “**Temporary Vehicle**” includes a vehicle that is loaned or provided to an **insured person** by an automobile **repair facility** for that **insured person’s** use while that **insured person’s** vehicle is at the facility for service, repair, maintenance, or damage or to obtain an estimate and is:
- A private passenger automobile; or a pickup, utility vehicle, or van with a gross vehicle weight of 14,000 pounds or less that is not **used** for the delivery or transportation of goods, materials, or supplies, other than samples, unless:
 - The delivery of the goods, materials, or supplies is not the primary **use** for which the vehicle is employed; or
 - The vehicle is **used** for farming or ranching.
 - In the lawful possession of an **insured person** or a **family member**;
 - Not **owned** by an **insured person**, a **family member**, any other **person residing** in the **insured person’s household**; and
 - Operated** by or in the possession of an **insured person** or a **family member** until the vehicle is returned to the **repair facility**.
52. “**Use**”, “**uses**” and “**using**” mean to **operate**, **occupy**, maintain, load, or unload any **auto** or **motor vehicle**.
53. “**Usual and customary charge**” means the amount **we** find represents a common and typical charge for medical or

health care services in the geographic area in which the service is rendered. **We** may decide the **usual and customary charge** for medical expenses by using independent sources of **our** choice.

54. “**War**” means, whether or not declared or undeclared, a hostile state of conflict, antagonism, police action, or contention carried on by armed force between two or more nations, countries, **states**, sovereign powers or rulers. **War includes, but is not limited to:**

- a. Civil **war**;
- b. Insurrection;
- c. Rebellion;
- d. Revolution; or
- e. Any action by governmental forces to:
 - (1) Respond to;
 - (2) Defend against; or
 - (3) Act to prevent, hinder or diminish; attack or threat of attack.

55. “**We**”, “**us**” and “**our**” mean the insurance company, as shown on the **declarations page**, which issues this policy to **you**.

56. “**You**” and “**your**” mean:

- a. The **named insured**; and
- b. His or her spouse:
 - (1) If **residing** in the same **household** as the **named insured**; or
 - (2) If not **residing** in the same **household** as the **named insured**, during a period of separation in contemplation of divorce; or
- c. Domestic partner who is properly registered as such under any **state’s** domestic partner or civil union law. This insurance does not apply for a spouse or domestic partner under any part of this policy if the **named insured** is not a **person** or a trust for a **person**.

PART I – LIABILITY COVERAGE

Insuring Agreement

1. Subject to the limits of liability, if **you** buy Liability Coverage from **us** on this policy, **we** will pay compensatory damages, for which an **insured person** is legally liable to others because of:
 - a. **Bodily injury**; or
 - b. **Property damage**;that results from a **motor vehicle accident**. This includes **property damage** to a **temporary vehicle**. These damages include prejudgment interest on compensatory damages that may be awarded against an **insured person**.
2. When coverage under this Part I applies, **we** also will pay, in addition to **our** limit of liability, all settlement and defense costs **we** incur. As **we** decide is proper, **we** will (with a lawyer of **our** choice, to be paid by **us**):

- a. Investigate;
- b. Negotiate and settle; and/or
- c. Defend;

any claim or lawsuit brought against an **insured person** for **bodily injury** or **property damage**. **Our** duty to settle or defend ends when **we** pay **our** limit of liability for payment of a judgment or settlement. **We** have no duty to settle or defend any claim that is not covered by this policy.

Additional Payments

If coverage under Part I applies, then in addition to **our** limit of liability, **we** will pay to or on behalf of an **insured person**:

1. All costs incurred by **us** or at **our** request in the settlement or trial of any claim or lawsuit.
2. Costs taxed against an **insured person** in any lawsuit **we** defend.
3. Premiums on:
 - a. Appeal bonds; and
 - b. Bonds to release attachments in any suit **we** defend. **We** have no duty to apply for or furnish bonds. **We** will not pay any portion of the premium that is for a bond more than **our** limit of liability.
4. Post-judgment interest for compensatory damages on that part of the judgment within **our** policy limits, **we** pay in any lawsuit **we** defend. **Our** duty to pay post-judgment interest ends when **we** offer to pay the lesser of the amount of the judgment or **our** limit of liability.
5. Upon request from the **insured person**:
 - a. Actual loss of earnings, but no other type of income, incurred by an **insured person** for work missed due to attendance, at **our** request, at depositions, mediations, arbitrations, hearings, or trials. For loss of earnings incurred, **we** will not pay more than:
 - (1) \$250 per day; or
 - (2) \$500 arising out of any one **accident**.
 - b. Reasonable amounts for travel expenses incurred by an **insured person** at **our** request to attend a deposition, mediation, arbitration, hearing, or trial. **We** must be given receipts for travel expenses incurred.

Additional Definitions

When shown in **bold** print, the following definition(s) shall apply for Part I, including when the defined word or phrase is used in its singular, plural, possessive, active or passive form.

“**Insured person**”, in this Part I, means:

1. **You**, a **family member** or an **insured driver** for the ownership or **use** of a:
 - a. **Covered auto** covered by this Part I;
 - b. **Non-owned auto** or **temporary substitute auto**;

- c. **Temporary vehicle**; or
 - d. Trailer while being towed by a **covered auto**, a **non-owned auto**, a **temporary substitute auto**, or a **temporary vehicle**.
2. Any other **person** who is **using a covered auto** with your permission **including, but not limited to a family member** or any other **person** who **resides in your household** who has not been disclosed to **us** but only if the **use** is within the scope of that permission. However, if this policy is certified as proof of financial responsibility, then **insured person** shall include any other **person using a covered auto** with your permission if that **use** is within the scope of that permission. However, that **person** shall be an **insured person** only up to the **minimum limits**.
 3. Any licensed **operator residing in your household** who is **using a temporary vehicle**.

Exclusions

We have no duty to defend, and we do not provide this Part I – Liability Coverage for any **insured person** for:

1. **Bodily injury** or **property damage** caused intentionally by or at the direction of that **insured person**, even if the **bodily injury** or **property damage** that results is not intended or is not the kind that was intended. This exclusion does not apply for an **insured person** if that **insured person** has not participated in or consented to the intentional act.
2. **Property damage** to any property:
 - a. **Owned** or transported by an **insured person**;
 - b. **Used** or **occupied** by an **insured person**; or
 - c. Rented to or in the care of an **insured person**.
 This exclusion does not apply to **property damage** to a **temporary vehicle**, a rented residence or private garage.
3. **Bodily injury** or **property damage** that arises out of the ownership or **use** by an **insured person** of a vehicle for any **race, stunt, or performance driving**.
4. **Bodily injury** to an employee, co-employee or employer of that **insured person** that arises out of or in the course and scope of employment.
5. Maintaining or **using** any vehicle while that **person** is employed or otherwise engaged in any **business** or occupation. This exclusion does not apply to the maintenance or **use** of a:
 - a. private passenger **auto**;
 - b. pickup or van that is **your covered auto**;
 - c. **temporary vehicle**; or
 - d. trailer **used** with a vehicle described in a., b. or c. above.
6. **Bodily injury** or **property damage** that arises out of the **use** of a vehicle for compensated commercial purposes, **including, but not limited to:**
 - a. **Used for delivery of persons or property for a fee**;
This exclusion does not apply to:
 - (1) **you**, a **family member**, or licensed **operator residing in your household**, unless the primary usage of the vehicle is for **delivery of persons or property for a fee**; or
 - (2) the **use of a temporary vehicle**;
 - b. The operation of equipment or machinery not listed on the **declarations page**;
 - c. **Used** for snow plowing or other snow removal;
 - d. **Used** to transport nursery or school children, migrant workers, or hotel guests;
 - e. **Used** to transport explosives, chemicals, radioactive materials, or flammable substances, other than normal **household** chemicals, except as **used** in the normal operation of a **motor vehicle**; or
 - f. **Used** as an escort flag vehicle.
7. **Use** of a vehicle, other than a **covered auto**, by **you**, a **family member** or **insured driver**:
 - a. Without the permission of its **owner** to do so; or
 - b. If the **use** is not within the scope of the permission given for that **use**.
8. **Bodily injury** or **property damage** arising out of the ownership or **use** of any vehicle, other than a **covered auto**, which is **owned** by, furnished to, or available for the regular or frequent **use** of **you**, any **insured driver**, any **family member**, or any **person** who **resides in your household**.
9. Any type of **punitive damages**.
10. The liability of that **person** that arises out of the ownership or **use** of any vehicle if it is being **used** as an emergency vehicle for that purpose on a regular basis, whether volunteer or otherwise.
11. The liability caused by or is so likely to result that intent may be inferred as a matter of law, a **crime**, other than driving under the influence, or criminal omission of an **insured person**. This exclusion applies only if the **insured person** is actually charged with, or convicted of, a **crime**.
12. **Bodily injury** or **property damage** caused by **war**.
13. **Bodily injury** to **you**, a **family member**, an **insured person**, or any other **person** who **resides in your household**. This exclusion does not apply to the portion of the damages that is less than or equal to **minimum limits**.
14. Liability assumed under a contract or agreement. This exclusion does not apply to liability imposed by law on **you**, a **family member**, **insured driver** or licensed **operator residing in your household** for:
 - a. **Bodily injury** or **property damage** caused by the operation of a **temporary vehicle** by **you**, a **family member**, **insured driver**, or licensed **operator residing in your household**; or
 - b. **Property damage** to a **temporary vehicle**.
15. **Bodily injury** or **property damage** that arises out of the ownership or **use** of a **covered auto** when it is:

- a. Rented, leased, loaned, sold, or given to anyone in exchange for a fee (exception when the **covered auto** is loaned to another **person** for the reimbursement of operating expenses only);
 - b. Entrusted to another **person** or party for the purpose of subleasing, leasing, renting, or selling and is no longer in **your** possession; or
 - c. Under a conditional sales agreement and is no longer in **your** possession.
- However, this exclusion does not apply to a share-the expense carpool.
16. **Bodily injury** or **property damage** for any obligation for which the United States Government is liable under the Federal Tort Claims Act.
 17. **Bodily injury** or **property damage** that arises out of **use** of a vehicle while it is located for **use** as:
 - a. A residence or premises; or
 - b. An office, store, or display.
 18. Any payment upon **your** final conviction for **loss** to a **covered auto** or a **temporary vehicle** seized by federal or **state law enforcement** as evidence in a case against **you** under Chapter 481, Texas Health and Safety Code, or under the federal Controlled Substances Act, 21 U.S.C. §801, et seq.

Limits of Liability

1. The limits of liability for this Part I for **bodily injury** and **property damage** are shown on the **declarations page**.
2. **We** will not pay more than the **bodily injury** limit of liability shown on the **declarations page** “per person” for **bodily injury** sustained by a **person** in an **accident**. Only the limit shown “per person” will apply to the total of all claims made due to that **bodily injury**, even if claims are made by other **persons** who did not sustain that **bodily injury**, but those claims arise from that **bodily injury**, including any and all claims:
 - a. Derived from that **bodily injury, including, but not limited to:**
 - (1) Loss of society;
 - (2) Loss of companionship;
 - (3) Loss of service or support;
 - (4) Loss of consortium; and
 - (5) Wrongful death;
 - b. For mental anguish or emotional distress due to seeing the **accident** or **bodily injury** occur.
3. Subject to the **bodily injury** limit “per person”, **we** will not pay more than the limit of liability shown on the **declarations page** “per accident” for **bodily injury** sustained by two or more **persons** in one **accident**.
4. **We** will not pay more than the **property damage** limit of liability shown on the **declarations page** for each occurrence for any **property damage** in one **accident**.

5. **We** will not pay more than the limits of liability shown on the **declarations page**, and as described in this Limits of Liability clause, due to any one **accident** without regard to the number of:
 - a. **Autos** insured under this policy;
 - b. Premiums paid or shown on the **declarations page**;
 - c. **Insured persons**;
 - d. Claims made or **persons** injured;
 - e. Vehicles or trailers involved in an **accident**;
 - f. Heirs, survivors, or wrongful death beneficiaries; or
 - g. Lawsuits filed.
6. **Our** limit of liability will not be increased for an **accident** because a trailer is attached to an **auto** at the time of the **accident**.
7. No one is entitled to recover duplicate payments from **us** for the same elements of damages that have been paid by **us** or any other source, which may **include, but is not limited to:**
 - a. Any other coverage under this policy;
 - b. Any other policy **we** or another insurer issue; or
 - c. Workers’ compensation or any similar insurance.
8. Any amount payable under this Part I to or for an injured **person** will be reduced by any payment made to or on behalf of that **person** for the same element of damages under Part II – Uninsured/Underinsured Motorist Coverage of this policy. However, Liability Coverage shall not be reduced to an amount less than **minimum limits** if the injured party’s damages have not been fully compensated.
9. Any damages for **bodily injury** awarded to and recoverable by a guest or passenger who is also entitled to benefit from coverage under this Part I shall be reduced by any payments to that **person** made under Part III and/or Part IV of this policy.
10. If **we** have issued more than one policy to **you** with liability coverage, **we** will not pay more than the highest limit of liability that applies under one policy. The limit of liability may not be added, combined, or stacked with similar coverage under any other policy issued to **you** by **us**.
11. **Our** limit of liability for any **person** other than **you**, a **family member** who **resides** in **your household** and has been disclosed to **us** or an **insured driver** is limited to the **minimum limits**, and no coverage in excess of the **minimum limits** shall apply to that **person** under Part I.

Out-of-State Coverage

If an **accident**, to which this Part I applies, happens in any **state**, other than the one in which a **covered auto** is principally garaged, and that other **state** has:

1. A financial responsibility, compulsory insurance or other similar law that requires the **owner** or **operator** of an **auto** to have limits of liability for **bodily injury** or **property damage** higher than the limits shown on the **declarations page**, **we** will provide the higher limit; or

2. A compulsory insurance or similar law that requires all **operators of autos** to maintain certain **auto** insurance coverages whenever an **auto** is driven in that **state**, and this policy does not show such coverage on the **declarations page**, **we** will provide the required minimum amounts and types of that coverage.

Financial Responsibility

This policy is provided in accord with the liability coverage required by, and is subject to, the Texas Motor Vehicle Safety Responsibility Act, as amended, to the extent required for **bodily injury** and **property damage**.

If **we** certify this policy as proof of future financial responsibility, this policy will comply with the minimum requirements of the financial responsibility laws, as amended, to the extent required for **bodily injury** and **property damage**. **You** or an **insured person** must reimburse **us** for any payment **we** make which **we** would not have made under the terms of this policy except for it being certified.

Other Insurance

If any other liability insurance policy, bond or self-insurance applies and is collectible under one or more policies or terms of coverage that is similar to coverage under Part I:

1. The maximum limit of liability under all the policies issued to **you** by **us** shall be no more than the highest applicable limit of liability that applies on any one policy.
2. Any insurance **we** provide related to the ownership or **use** of an **auto**, other than a **covered auto** that is **owned** by **you** or a **family member**, will be excess over all other insurance, bonds, or self-insurance. This does not apply to liability imposed by law on **you**, a **family member**, **insured driver**, or licensed **operator residing in your household** for:
 - a. **Bodily injury** or **property damage** caused by the operation of a **temporary vehicle** by **you**, a **family member**, **insured driver**, or licensed **operator residing in your household**; or
 - b. **Property damage** to a **temporary vehicle**.
However, any coverage **we** provide for a **temporary vehicle** will be primary.
3. Subject to the other terms of this Other Insurance clause, if **we** provide coverage under this Part I:
 - a. On a primary basis, **we** will not pay more than **our** share of the damages that must be paid under policies or terms of coverage that apply on a primary basis. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable and collectible limits of liability for coverage provided on a primary basis.
 - b. On an excess basis, **we** will not pay more than **our**

share of the damages that must be paid under policies or terms of coverage that apply on an excess basis. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable and collectible limits of liability for coverage provided on an excess basis.

PART II – UNINSURED/UNDERINSURED MOTORIST COVERAGE

Insuring Agreement – Uninsured/Underinsured Motorist Bodily Injury Coverage

Subject to the limits of liability, if **you** buy Uninsured/Underinsured Motorist Bodily Injury Coverage from **us** on this policy, **we** will pay compensatory damages an **insured person** is legally entitled to recover from the **owner** or **operator** of an **uninsured motor vehicle** or **underinsured motor vehicle** due to **bodily injury**:

1. Sustained by that **insured person**; and
2. Caused by an **accident**;
that arises out of the ownership or **use** of the **uninsured motor vehicle** or **underinsured motor vehicle**.

Insuring Agreement – Uninsured/Underinsured Motorist Property Damage Coverage

Subject to the limits of liability, if **you** buy Uninsured/Underinsured Motorist Property Damage Coverage from **us** on this policy, **we** will pay compensatory damages an **insured person** is legally entitled to recover from the **owner** or **operator** of an **uninsured motor vehicle** or **underinsured motor vehicle** due to **property damage** caused by an **accident** that arises out of the ownership or **use** of the **uninsured motor vehicle** or **underinsured motor vehicle**.

Additional Terms & Duties

These Additional Terms & Duties apply to this Part II:

1. The liability of the **owner** or **operator** of an **uninsured motor vehicle** or **underinsured motor vehicle** must arise out of the ownership or **use** of an **uninsured motor vehicle** or **underinsured motor vehicle**.
2. If an offer of settlement has been made to an **insured person** by the insurer, or any **person** on behalf, of the **owner** or **operator** of the **uninsured motor vehicle** or **underinsured motor vehicle**, **we** must be given:
 - a. Not less than 30 days written notice of that offer to pay; and
 - b. A chance to advance payment to the **insured person** in an amount equal to the offered settlement within 30 days after **we** get notice.
3. If a lawsuit is filed by an **insured person** without prior

notice to **us**, **we** are not bound by any judgment that arises out of that lawsuit as to:

- a. The liability of an **owner** or **operator** of an **uninsured motor vehicle** or **underinsured motor vehicle**; or
 - b. The amount of damages that result from an **accident**.
4. If a settlement agreement is entered into with the **owner** or **operator** of an **uninsured motor vehicle** or **underinsured motor vehicle** but without **our** written consent, **we** are not bound by that agreement.
5. Any lawsuit against **us** by an **insured person** must be brought within 2 years and 1 day after the date the cause of action first accrues.

Additional Definitions

When shown in **bold** print, the words and phrases below are defined for Part II as set forth here. These definitions apply throughout this Part II, including when the word or phrase is used in its singular, plural, possessive, active or passive form.

1. “**Insured person**” means:
 - a. **You**, a **family member**, or an **insured driver**.
 - b. Any other **person operating** a **covered auto** with permission from **you** or an **insured driver**, if being **used** within the scope of that permission.
 - c. Any **person occupying**, but not **operating**, a **covered auto**.
 - d. A **person** who is legally entitled to recover damages due to **bodily injury** to a **person** described in clause 1.a., 1.b., or 1.c directly above. This will not increase **our** limit of liability in an **accident** to an amount more than the limit that applies to the **person** who has sustained the **bodily injury**.
2. “**Property damage**” means physical damage to or destruction of:
 - a. A **covered auto** that is shown on the **declarations page** with a premium paid for Uninsured/Underinsured Motorist Property Damage Coverage;
 - b. Personal property owned by an **insured person** and that is in a **covered auto** to which this Uninsured/Underinsured Motorist Property Damage Coverage applies at the time of the **accident**;
 - c. Personal property owned by **you** or a **family member** and that is in an **auto** not **owned** by, but is being **operated** by, **you** or a **family member** at the time of the **accident**; and
 - d. Loss of use of a **covered auto** to which this Uninsured/Underinsured Motorist Property Damage Coverage applies at the time of the **accident**.
3. “**Underinsured motor vehicle**” is a **motor vehicle** on which there is collectible liability insurance coverage with limits of liability for the **owner** or **operator** that are either

not enough to pay the full amount the covered **person** is legally entitled to recover as damages or have been reduced by payment of claims to an amount which is not enough to pay the full amount the covered **person** is legally entitled to recover.

Underinsured motor vehicle does not include any vehicle or equipment that is:

- a. Insured under Part I of this policy;
 - b. Shown on the **declarations page**;
 - c. **Owned** by, or furnished or available for the regular **use** of, **you**, any **insured driver**, or any **family member**;
 - d. **Owned** by a **state** or any government body, unit or agency (unless the **operator** of the vehicle is uninsured and there is no statute imposing liability for damage because of **bodily injury** or **property damage** on the governmental body for an amount not less than the limit of liability for this coverage);
 - e. Driven on rails or crawler treads;
 - f. Designed for **use** mainly off public roads, while not on public roads;
 - g. Located for **use** as a residence or premises; or
 - h. **Owned** or **operated** by a self-insured under any **motor vehicle** law that applies.
4. “**Unidentified motor vehicle**” means a hit-and-run **motor vehicle** for which the **owner** or **operator** cannot be identified, and that **motor vehicle**:
- a. Hits, with actual physical contact:
 - (1) **You**, an **insured driver**, or a **family member**; or
 - (2) Any vehicle that **you**, an **insured driver** or a **family member** is **occupying**; or
 - (3) A **covered auto**; and
 - b. Causes **bodily injury** to that **insured person** or **property damage**.
5. “**Uninsured motor vehicle**” means a **motor vehicle**:
- a. For which no liability bonds, policies or self-insurance apply at the time of the **accident**.
 - b. For which there is liability bond or policy but the bonding company or liability insurer:
 - (1) Has legally denied coverage; or
 - (2) Is or becomes insolvent.
 - c. That is an **unidentified motor vehicle**. However, coverage with respect to an **accident** caused by **uninsured motor vehicle** shall not apply to an **accident** caused by an **unidentified motor vehicle** unless the injured **insured person**, or someone on his or her behalf, reports the **accident** to **law enforcement** within 24 hours or as soon as practicable after the **accident**.

Uninsured motor vehicle does not include any vehicle or its equipment that is:

- a. Insured under Part I of this policy;
- b. Shown on the **declarations page**;
- c. **Owned** by **you**, any **insured driver**, or any **family member**, unless an uninsured thief is **operating** a **covered auto** and causes **bodily injury** to an **insured person** or **property damage**;
- d. Furnished or available for the regular **use** of **you**, any **insured driver**, or any **family member**, unless, at the time of the **accident**, it is a vehicle:
 - (1) Provided and **owned** by an employer;
 - (2) **Operated** by a co-employee; and
 - (3) For which no liability bond or policy applies;
- e. **Owned** by a **state** or any government body, unit or agency (unless the **operator** of the vehicle is uninsured and there is no statute imposing liability for damage because of **bodily injury** or **property damage** on the governmental body for an amount not less than the limit of liability for this coverage);
- f. Driven on rails or crawler treads;
- g. Designed for **use** mainly off public roads, while not on public roads;
- h. Located for **use** as a residence or premises; or
- i. **Owned** or **operated** by a self-insured under any **motor vehicle** law that applies, other than a self-insured that is or becomes insolvent.

We have the burden of proof if there is a dispute as to whether or not a vehicle is an **uninsured motor vehicle**.

Exclusions

1. We do not provide coverage under this Part II for any **insured person**:
 - a. If that **person** or their legal representative settles a claim without **our** written consent and, as a result, **our** rights are prejudiced.
 - b. While **occupying** or **using** any **motor vehicle** while an **insured person** is **using** that **motor vehicle** for the **delivery of persons or property for a fee**.
This does not apply to:
 - (1) **Bodily injury** sustained by **you**, an **insured driver**, or a **family member** while a guest passenger in a non-owned taxi, limousine, public bus, or other similar public transport;
 - (2) A shared-expense car pool; or
 - (3) **You** or any **family member** unless the primary **use** of the vehicle is to carry **persons** and property for a fee.
 - c. While **occupying** or **using** any **motor vehicle owned** by, or furnished or available for the regular **use** of, **you**, an **insured driver**, or a **family member**, if that **motor vehicle** is not a **covered auto** under this policy.
 - d. While **occupying** or **using** any **covered auto** without

permission or reasonable belief that the **person** is entitled to do so. This exclusion does not apply to **you**, an **insured driver** or a **family member** while **using your covered auto**.

- e. While **occupying** or **using** any other vehicle, other than a **covered auto**, by **you**, a **family member** or **insured driver** without the express or implied permission of its **owner** or outside the scope of that permission.
 - f. That results from the intentional acts of that **insured person**.
2. This Part II shall not apply, directly or indirectly, to benefit any:
 - a. Workers' compensation or disability benefits insurer;
 - b. Self-insurer under any workers' compensation, or disability benefits or similar law; or
 - c. Insurer or self-insurer of property.
 3. No coverage under Part II applies for any type of **punitive damages**.

Limits of Liability

1. The limits of liability for this Part II are shown on the **declarations page**. We will not pay more than the limit of liability shown on the **declarations page for "per person" for bodily injury** sustained by a **person** in an accident. Only the limit for "per person" will apply to the total of all claims made due to that **bodily injury**, including any and all claims:
 - a. Derived from that **bodily injury including, but not limited to**:
 - (1) Loss of society;
 - (2) Loss of companionship;
 - (3) Loss of service or support;
 - (4) Loss of consortium; and
 - (5) Wrongful death; and
 - b. For mental anguish or emotional distress due to observing the **accident** or **bodily injury** occur.
2. Subject to the limit for "per person", we will not pay more than the limit of liability shown on the **declarations page** for "per accident" for all claims derived from **bodily injury** sustained by two or more **persons** in one **accident**.
3. We will not pay more than the limit of liability shown on the **declarations page** for Uninsured/Underinsured Motorist Property Damage Coverage for all **property damage** in an **accident**.
4. We will not pay more than the limits of liability shown on the **declarations page**, and as described in this Limits of Liability clause, due to any one **accident**, without regard to the number of:
 - a. **Autos** insured under this policy;
 - b. Premiums paid or shown on the **declarations page**;
 - c. **Insured persons**;

- d. Policies issued to **you** by **us**;
 - e. Claims made or **persons** injured;
 - f. Vehicles or trailers involved in an **accident**;
 - g. Heirs, survivors, or wrongful death beneficiaries; or
 - h. Lawsuits filed.
5. No one is entitled to recover more than once from **us** for the same elements of damages that have been paid by this policy, under any other coverage or from any other source.
6. **Offsets:**
- a. Any amount to be paid under this Part II, to or for an **insured person**, will reduce any amount that the **person** is entitled to recover under Part I. This will not be applied so as to reduce coverage under Part I to an amount less than **minimum limits** if the injured party's damages have not been fully compensated.
 - b. To determine the amount that may be recovered under this Part II, and subject to all limits of liability set forth, the total damages an **insured person** is legally entitled to recover because of the **accident** shall be reduced by any amount:
 - (1) Paid by or on behalf of any **persons** or parties that may be legally responsible, **including, but not limited to:**
 - (a) All sums paid under Part I of this policy;
 - (b) The total limits paid of all liability bonds and policies covering the liable party;
 - (2) Paid under Part III, Part IV and/or Part V; and
 - (3) Paid under any workers' compensation law, disability benefits law, or similar laws.
7. **We** will not pay more than the limit of liability shown on the **declarations page** for Uninsured/Underinsured Motorist Property Damage Coverage for all **property damage** in an **accident**.
8. **Our** payment will not include and is subject to a deductible amount of \$250, as shown on the **declarations page** for Uninsured/Underinsured Motorist Property Damage Coverage. As to the deductible:
- a. If the damage is to more than one **covered auto** in the same **accident**, only the highest applicable deductible will apply.
 - b. If the damage to the **covered auto** is the result of more than one **accident**, a separate deductible shall apply to each **accident**.
9. If **we** have issued more than one policy to **you** with uninsured or underinsured motorist coverage, **we** will not pay more than the highest limit of liability for that coverage that applies under one policy.
10. If **you** bought this coverage with limits under Part II in excess of the **minimum limits**, **our** limit of liability for any **person** other than **you**, a **family member** who **resides** in **your household** and has been disclosed to **us** or an **insured driver** is limited to the **minimum limits** as set forth under law, and no coverage in excess of the **minimum limits**

shall apply to that **person** under Part II.

Other Insurance

If any other uninsured or underinsured motorist insurance policy, bond or self-insurance as defined by any applicable **motor vehicle** law applies under one or more policies or terms of coverage that is similar to the coverage under Part II:

1. Any insurance **we** provide for an **insured person occupying or using** any vehicle, other than a **covered auto** that is **owned** by **you** or a **family member**, will be excess over all other insurance, bonds, or self-insurance.
2. Subject to the other terms of this Other Insurance clause, if **we** provide coverage under this Part II, **we** will not pay more than **our** share of the damages up to the limit of liability. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability for coverage with the same priority.

If an **insured person** has bought both Uninsured/Underinsured Motorist Property Damage Coverage and Collision Coverage from **us** on this policy (or from any other policy or similar coverage) which both apply to the **accident** causing the **property damage** or **loss**, that **insured person** may:

1. Choose which coverage to apply to the **loss**, and
2. Recover under both coverages but only if:
 - a. Neither coverage alone is sufficient to cover all **property damage** or **loss** resulting from that single **accident**;
 - b. The higher deductible amount is applied (both deductibles do not apply); and
 - c. No more than the actual damages will be recovered.

PART III – MEDICAL PAYMENTS COVERAGE

Insuring Agreement

Subject to the limits of liability, if **you** buy Medical Payments Coverage from **us** on this policy, **we** will pay:

1. The **usual and customary charge** for reasonable and **necessary medical expenses**; and
 2. For reasonable **funeral expenses**;
- incurred and either paid or required to be paid by an **insured person** due to **bodily injury** sustained by that **person** and caused by a **motor vehicle accident**.

We will pay only for **medical expenses** or **funeral expenses** that are incurred within one year of the date of the **accident**.

Additional Definitions

When shown in **bold** print, the words and phrases below are defined for Part III as set forth here. These definitions apply throughout this Part III, including when the word or phrase is

used in its singular, plural, possessive, active or passive form.

In this Part III:

1. “**Funeral expenses**” means costs incurred for services directly related to the funeral, burial, cremation, or interment of the remains of a deceased **insured person**.
2. “**Insured person**” means:
 - a. **You**, an **insured driver**, or a **family member** when:
 - (1) **Occupying a covered auto, a non-owned auto, or temporary substitute auto**; or
 - (2) A **pedestrian** and struck by a **motor vehicle**.
 - b. Any other **person occupying a covered auto** with permission from **you** or a **family member** and while being **used** within the scope of that permission.
3. “**Medical expenses**” means the fees, costs or charges to be paid for reasonable and **necessary**:
 - a. Services, treatment, procedures and products provided by a licensed health care provider, including ambulance, hospital, surgical, medical, dental, x-ray, professional nursing, chiropractic, and pharmaceutical services;
 - b. Medications, eyeglasses, hearing aids, orthopedic and prosthetic devices, and other medical supplies when prescribed by a licensed health care provider; and
 - c. Services, treatment, procedures, and products provided by a licensed health care provider for physical therapy, vocational rehabilitation, occupational therapy, and speech pathology and audiology.

Medical expenses do not include any fees, costs, or charges for:

- a. Massage therapy not prescribed by a **state** licensed doctor or chiropractor;
- b. Thermography or other related procedures of similar nature; or
- c. Any services, treatment, procedures, and products that are:
 - (1) Experimental, for research, or not primarily designed to serve a medical purpose; or
 - (2) Not commonly recognized in the medical profession in the United States as a customary treatment for the **bodily injury**.

Exclusions

We do not provide coverage under this Part III for any **insured person** for **bodily injury**:

1. That occurs while **occupying** or **using** any vehicle while an **insured person** is **using** that vehicle for the **delivery of persons or property for a fee**. This does not apply to **bodily injury** sustained by **you**, an **insured driver**, or a **family member** while a guest passenger in a non-owned taxi, limousine, public bus or other similar public transport. This does not apply to:

- a. A shared-expense car pool; or
 - b. **You** or any **family member** unless the primary **use** of the vehicle is to carry **persons** and property for a fee.
2. Sustained while **occupying** or **using** any **motor vehicle** while it is located for **use** as:
 - a. A residence or premises; or
 - b. An office, store, or display.
 3. Sustained during the course of employment if workers’ compensation or similar benefits are required or available for that **person**.
 4. Sustained while **occupying** or **using** any vehicle **owned** by, or furnished or available for the regular **use** of, **you**, an **insured driver**, or a **family member**, if that vehicle is not a **covered auto** under this policy.
 5. Sustained while **occupying** or **using** any **covered auto** without permission or reasonable belief that the **person** is entitled to do so. This exclusion does not apply to **you**, an **insured driver** or a **family member** while **using your covered auto**.
 6. Sustained while **occupying** or **using** any other vehicle, other than a **covered auto**, by **you**, a **family member** or **insured driver** without the express or implied permission of its **owner** or outside the scope of that permission.
 7. That arises out of any **use** of a vehicle by any employee, agent, contractor, or other **person** in connection with, or in the course of, any **car trade or business**. This exclusion does not apply to **you**, a **family member**, or an agent or employee of **you** or a **family member**, when **using** a **covered auto**.
 8. Maintaining or **using** any vehicle while that **person** is employed or otherwise engaged in any **business** or occupation. This exclusion does not apply to the maintenance or **use** of a:
 - a. private passenger **auto**;
 - b. pickup or van that is **your covered auto**; or
 - c. trailer **used** with a vehicle described in a. or b. above.
 9. Caused by or as a consequence of:
 - a. **War**; or
 - b. **Mold or fungus**, except for **bodily injury**, which ensues from a covered **loss**.
 10. That arises out of the use of any vehicle as an emergency vehicle if it is used for that purpose on a regular basis, whether volunteer or otherwise
 11. That arises out of that **person’s use** of a vehicle for any **Race, stunt, or performance driving**
 12. Caused by or is so likely to result that intent may be inferred as a matter of law, a **crime** or omission of an **insured person**. This exclusion applies only if the **insured person** is actually charged with, or convicted of, a **crime**.
 13. That arises out of the **use** of a **covered auto** when it is:
 - a. Rented, leased, loaned, or given to anyone in exchange for a fee (exception when the **covered auto** is loaned to another **person** for the reimbursement of operating

- expenses only);
 - b. Entrusted to another **person** or party for the purpose of subleasing, leasing, renting, or selling and is no longer in **your** possession; or
 - c. Under a conditional sales agreement and is no longer in **your** possession.
14. That is caused intentionally by, or at the direction of, the injured **insured person**, even if the **bodily injury** that results is not what was intended.

Limits of Liability

1. The limits of liability for this Part III are shown on the **declarations page**.
2. **We** will not pay more than the limits of liability shown on the **declarations page** for each **insured person** in any one **accident**, without regard to the number of:
 - a. **Autos** insured under this policy;
 - b. Premiums paid or shown on the **declarations page**;
 - c. **Insured persons**;
 - d. Claims made or **persons** injured;
 - e. Vehicles or trailers involved in an **accident**;
 - f. Heirs, survivors, or wrongful death beneficiaries; or
 - g. Lawsuits filed.
3. No one is entitled to recover more than once from **us** for the same elements of damages that have been paid by **us** or any other source, which may **include, but is not limited to**:
 - a. Any other coverage under this policy;
 - b. Any other policy **we** or another insurer issue; or
 - c. Workers' compensation or any similar insurance.
4. Any amount payable under this Part III to or for an **insured person** will be reduced by any amounts paid for the same expense by any Liability to Others Coverage, Personal Injury Protection or Uninsured/Underinsured Motorist Coverage provided by this policy or any other policy.

Other Insurance

1. This Part III coverage is excess over any other applicable:
 - a. Benefits paid under any workers' compensation insurance policy or law;
 - b. Medical benefits available under automobile insurance coverage to the **insured person**; or
 - c. **Motor vehicle** insurance medical payments, Personal Injury Protection or other type of no-fault **motor vehicle** insurance coverage that applies to **medical expenses**, whether provided under this or any other policy.
2. If any other personal auto policy also affords **medical expense** and/or **funeral expense** coverage (other than a personal injury protection or other type of no-fault **motor vehicle** insurance coverage) that is similar to the coverage

provided under Part III, then:

- a. The coverage on the vehicle which the **insured person** was **occupying** at the time of the **accident** is primary.
 - b. If the **insured person** was a **pedestrian** at the time of the **accident**, then the medical payments coverage afforded by the policy under which the **insured person** is a **named insured** is primary.
 - c. Coverage under this policy shall be excess to all such other coverage if the **insured person** was **occupying** any vehicle other than a **covered auto** at the time of the **accident**.
 - d. **We** will not pay more than **our** share of the damages. **Our** share is the proportion that **our** limit of liability coverage bears to the total of all applicable limits of the same priority.

Assignment of Benefits

We will pay for **medical expenses** directly to a state licensed doctor or other health care provider if the **insured person** gives a signed written assignment of benefits payable under Part III to **our** claim representative assigned to handle the claims arising out of the **accident**. If **we** pay benefits directly to a doctor or other health care provider, **we** have no further duty or liability to pay those same benefits.

PART IV – PERSONAL INJURY PROTECTION

Insuring Agreement

Subject to the limits of liability, if **you** buy Personal Injury Protection ("PIP") from **us** on this policy, **we** will pay for PIP benefits, as listed below, due to **bodily injury**:

1. Sustained by an **insured person**; and
2. Caused by a **motor vehicle accident**.

Personal Injury Protection benefits consist of **our** payment for reasonable expenses and **losses** incurred:

1. For the reasonable and **necessary medical expenses**;
2. For **funeral expenses**;
3. As **loss of income**; and
4. As **loss of essential services**.

We will pay only for those expenses and **losses** that are incurred within 3 years of the date of the **accident**.

Additional Definitions

When shown in **bold** print, the words and phrases below are defined for Part IV as set forth here. These definitions apply throughout this Part IV, including when the word or phrase is used in its singular, plural, possessive, active or passive form. In this Part IV:

1. "**insured person**" means:
 - a. **You**, an **insured driver**, or a **family member** when:

- (1) **Occupying a covered auto, a non-owned auto, or temporary substitute auto;** or
 - (2) A **pedestrian** and struck by a **motor vehicle**.
 - b. Any other **person occupying a covered auto** with permission and as an authorized **operator** or passenger, including a guest occupant.
2. “**Loss of essential services**” means **necessary** and reasonable expenses incurred for essential services ordinarily performed, without pay, by the injured **insured person** for the care and maintenance of the family or family household. **Loss of essential services** benefits:
- a. Apply only in the case of an **insured person** who was not an income producer or not in an occupational status at the time of the **accident**.
 - b. Do not apply to any expense after the death of the **insured person**.
3. “**Loss of income**” means 80% of income lost by the **insured person** as the result of the **accident**. **Loss of income** benefits are subject to the following:
- a. **Loss of income** benefits apply only in the case of an **insured person** who is an income producer or in an occupational status at the time of the **accident**.
 - b. No more than 80% of income lost from employment, work or other remunerative occupation by an **insured person** as a result of the **accident** will be paid under this Part IV, subject to all other limits.
 - c. **Loss of income** is the difference between:
 - (1) The income that would have been earned if the **insured person** had not been injured; and
 - (2) The amount of income actually received from the **insured person’s** employment, work or remunerative occupation during the period of disability.
 - d. If the income being earned as of the date of the **accident** is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the 12-month period preceding the **accident** shall be used.
 - e. These benefits do not apply after the death of the **insured person**.
4. “**Medical expenses**” means expenses incurred for reasonable and **necessary** medical, surgical, x-ray, or dental services, including prosthetic devices, and **necessary** ambulance, hospital, professional nursing services.

Exclusions

We do not provide coverage under this Part IV for any **insured person** for **bodily injury**:

- 1. If the **insured person’s** conduct contributed to his or her **bodily injury** and that conduct:

- a. Involved intentionally causing injury to the insured; or
 - b. Occurred while committing a felony or while seeking to elude lawful apprehension or arrest by a **law enforcement** official.
- 2. Sustained while **occupying**, or when struck by, any **motor vehicle**, other than **your covered auto**, which is **owned** by **you**.
 - 3. Sustained by a **family member** while **occupying**, or when struck by, any **motor vehicle**, other than **your covered auto**, which is **owned** by a **family member**.

Limits of Liability

- 1. The limit of liability for this Part IV is shown on the **declarations page**.
- 2. We will not pay more than the limits of liability shown on the **declarations page** for each **insured person** in any one **accident**, without regard to the number of:
 - a. **Autos** insured under this policy;
 - b. Premiums paid or shown on the **declarations page**;
 - c. **Insured persons**;
 - d. Claims made or **persons** injured;
 - e. Vehicles or trailers involved in an **accident**;
 - f. Heirs, survivors, or wrongful death beneficiaries; or
 - g. Lawsuits filed.
- 3. If **we** have issued more than one policy to **you** with coverage for personal injury protection, **we** will not pay more than the highest limit of liability that applies to the **insured person** under one policy. The limit of liability may not be added, combined or stacked with similar coverage under any other policy issued to **you** by **us**.

Other Insurance

- 1. If there is other Personal Injury Protection Insurance, **we** will pay only **our** share. **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** shall be excess over any other collective Personal Injury Protection insurance.
- 2. Personal Injury Protection shall be primary to any Medical Payments Coverage under this policy.

Additional PIP Duties & Payment of Claims

- 1. In addition to any and all other duties set forth in this policy, an **insured person** seeking Personal Injury Protection benefits must promptly give **us**:
 - a. Written proof of **loss** as to any claim for benefits under Part IV as soon as reasonably possible, but no later than 6 months after the date of the **accident**.
 - b. Reasonable medical proof of:
 - (1) The **bodily injury** to the **insured person** that is the cause of the loss of income.

- (a) An alleged recurrence of **bodily injury** for which an original claim for benefits was made if a lapse occurs in the period of total disability or in the medical treatment of an **insured person** who
 - (b) Has received benefits under Part IV; and
 - (c) Subsequently claims additional benefits based on the alleged recurrence.
2. Personal Injury Protection benefits, if covered and due under this Part IV, will be paid:
 - a. Periodically as claims for those benefits arise;
 - b. No later than 30 days after the date **we** get satisfactory proof of claim;
 - c. Not more frequently than once every 2 weeks.

Assignment of Benefits

We will pay for **medical expenses** directly to a **state** licensed doctor or other health care provider if the **insured person** gives a signed written assignment of those benefits' payable under Part IV to **our** claim representative assigned to handle the claims that arise out of the **accident**. If **we** pay benefits directly to a doctor or other health care provider, **we** have no further duty or liability to pay those same benefits.

PART V – PHYSICAL DAMAGE COVERAGE

Insuring Agreement – Collision

Subject to the limits of liability, if **you** buy **Collision** Coverage from **us** on this policy for a **covered auto**, **we** will pay for direct **loss** to:

1. That **covered auto**; or
 2. A **temporary substitute auto**;
- if that **loss** is caused by an **accident** resulting from a **collision**.

There is no coverage under this Part V for **loss** to a **temporary vehicle**. Any applicable coverage for **loss** to a **temporary vehicle** will be under Part I.

Insuring Agreement – Comprehensive

Subject to the limits of liability, if **you** buy **Comprehensive** Coverage from **us** on this policy for a **covered auto**, **we** will pay for **loss** to:

1. That **covered auto**; or
 2. A **temporary substitute auto**;
- if caused by a **comprehensive loss**.

There is no coverage under this Part V for **loss** to a **temporary vehicle**. Any applicable coverage for **loss** to a **temporary vehicle** will be under Part I.

Additional Terms & Duties

These Additional Terms & Duties apply to this Part V:

1. **We** will not pay for a covered **loss** that **we** determine is not more than the deductible that applies to that **covered auto**. The deductible shown on the **declarations page** is the portion of each **loss** that is not covered by this Part V. **You** are responsible to pay for that portion of the **loss**.
2. If **we** make a payment under this Part V due to:
 - a. The theft of an **auto**, **you** must transfer the title of that **auto** to **us** at or before the time of payment.
 - b. Total **loss** to an **auto**, **we** may require that **you** transfer the title of that **auto** to **us** at or before the time of payment, unless **you** or the **owner** keep the salvage.
3. **You** must authorize **us** to move any damaged property to a storage facility of **our** choice at **our** expense. If **you** do not, **we** have no duty to pay any storage costs that are incurred but would have been avoided or reduced had the property been moved to a storage facility of **our** choice.
4. **We** are not liable for, nor will **we** pay, any fees or charges that are not part of the **necessary** cost to repair the **loss** or replace the **covered auto**.
5. **You** must take reasonable steps after the **accident** or **loss** to protect the **covered auto** and its equipment from any further **loss**. **We** will pay reasonable expenses incurred to protect the **covered auto**. If **you** fail to protect the **covered auto** and its equipment from further **loss**, **we** will not pay for the additional damage or **loss**.

Additional Definitions

When shown in **bold** print, the words and phrases below are defined for Part V as set forth here. These definitions apply throughout this Part V, including when the word or phrase is used in its singular, plural, possessive, active or passive form.

In this Part V:

1. “**Collision**” means the **auto**:
 - a. Overturned, rolled, or flipped; or
 - b. Collided with, or was hit by, a vehicle or other object.
 A **collision loss** does not include:
 - a. Any **loss** covered as a **comprehensive loss**; or
 - b. Contact with an animal, bird or falling or thrown objects.
2. “**Comprehensive**” means a **loss** caused by:
 - a. Missiles;
 - b. Falling or thrown objects;
 - c. Fire or explosion, unless the direct consequence of a **collision**;
 - d. Theft or larceny;
 - e. Earthquake;
 - f. Windstorm, snow, ice, hail, rain, water, or flood;
 - g. Malicious mischief or vandalism;

- h. Contact with an animal or bird; or
- i. Broken glass, unless caused by a **collision**.

A **comprehensive loss** does not include any **loss** covered as a **collision**.

3. “**Custom equipment**” means parts, equipment, devices, accessories, enhancements, modifications, or changes in or on an **auto** that:
 - a. Are **permanently installed**; and
 - b. Change the **auto** or its function, appearance or performance.

Custom equipment may include, but is not limited to:

 - a. Pickup truck caps, covers, bed liners and tool bench/boxes.
 - b. Camper bodies, slide-on campers, camper shells, van conversion or other equipment designed to create additional living or storage facilities (but not any trailer).
 - c. Special carpeting, insulation, furniture, or bars.
 - d. Facilities or equipment for cooking, refrigerating, or sleeping.
 - e. Sunroofs, moon roofs, t-bar or height extending roofs, bubble domes or similar windows.
 - f. Equipment designed for **persons** with a disability or a handicap.
 - g. Custom murals, paint, striping, decals, graphics, or chrome.
 - h. Carbon fiber panels or hoods.
 - i. Winches, anti-roll, or anti-sway bars.
 - j. Custom wheels, special or wide tires or slicks, spinners, spoilers, ground effects, after-market lights, custom grilles, louvers, side pipes, hood scoops, or front-end protectors.
 - k. Modified or custom suspension equipment, engines, carburetor, or exhaust systems, or other modified or **custom equipment**.
 - l. **Electronic equipment**.

4. “**Electronic equipment**” means **permanently installed** electronic audio, video, digital or data devices that transmit, send, receive, record and/or playback data, media or GPS signals. **Electronic equipment** may include, but is not limited to the following when **permanently installed** in the **covered auto**:
 - a. Audio devices that record, store and/or play sound, such as radios, satellite radios, stereos, compact disk systems, MP3 devices, internet audio streaming devices, audio interface devices, radio scanners, and similar devices for reproducing sound.
 - b. Video devices, such as DVD devices, VCR devices, monitors, cameras, and televisions.
 - c. Communication devices, such as citizen band radios, two-way mobile radios, mobile cellular and other telephones, blue tooth devices, and scanning monitors or receivers.

- d. Personal computers and internet access devices and systems.
- e. GPS and other systems that help navigate.
- f. Emergency assist and roadside assistance detection and/or communication devices; and
- g. Any accessories, cables, connectors, or antennas used with and attached to the devices described above.

Electronic equipment does not include, and there is no coverage for, any device or equipment that is not **permanently installed** in a **covered auto**.

5. “**Factory installed**” means **permanently installed** by:
 - a. The original **manufacturer** of the **auto** at the time the **auto** is originally fabricated or assembled; or
 - b. The dealer of the original **manufacturer** as a new car option at the time of original purchase.
6. “**Permanently installed**” means an item is attached in the **auto** by way of brackets, screws, bolts, welding, or other means so that the item cannot be removed without the use of tools.

Optional Coverages

You must pay extra premium for any of the following optional Part V coverages to apply. If the coverage applies to a **covered auto**, that coverage will be shown on the **declarations page** for that **covered auto**.

Rental Reimbursement Coverage

Subject to all other terms of this Part V, if **you** pay the premium for Rental Reimbursement Coverage:

1. **We** will reimburse **you** for **necessary** and reasonable **auto** rental charges **you** incur from a licensed rental car agency, a vehicle repair shop or other **car trade or business** to temporarily replace a **covered auto** (for which **you** bought Rental Reimbursement Coverage) when it:
 - a. Sustains **loss** covered by this Part V; and
 - b. Is inoperable due to that **loss**.
2. This coverage applies only if the **covered auto** is withdrawn from normal **use** for more than 24 hours.
3. **Our** payment will be limited to the time starting 24 hours after the **covered auto** is withdrawn from normal **use** and ending the earliest of:
 - a. When the **covered auto** is returned to **use**;
 - b. After the length of time reasonably required to repair or replace the **covered auto**;
 - c. When **we** pay for its **loss**;
 - d. Thirty days after the **covered auto** is withdrawn from normal **use**; or
 - e. 72 hours after **we** offer to pay for the **loss** if **we** determine it is a theft or total **loss**.
4. **We** will not pay more than the daily limit of liability shown on the **declarations page**.

5. **You** must give **us** a verifiable receipt of the rental charges incurred.
6. This Rental Reimbursement Coverage does not apply to cover any charges for fuel, mileage, damage or **loss**, optional equipment, or charge for a collision damage waiver (CDW), personal accident insurance, personal effects insurance, or any other optional insurance, service or device offered with the rented **auto**.
7. No deductible applies to this Rental Reimbursement Coverage.

Towing and Labor Costs Coverage

Subject to all other terms of this Part V, if **you** pay the premium for Towing and Labor Costs Coverage:

1. **We** will pay for **necessary** towing and labor costs incurred for a **covered auto** for which **you** purchased Towing and Labor Costs Coverage when it is disabled.
2. **We** will only pay for:
 - a. Labor performed at the place of disablement; and
 - b. One tow per disablement;
 that is **necessary** due to the disability of the **covered auto**.
3. **We** will not pay more than the limit of liability shown on the **declarations page** in any one occurrence.
4. This coverage is limited to no more than three (3) occurrences in any 6-month period.
5. **You** must give **us** a verifiable receipt of the towing or labor charges incurred.
6. This Towing and Labor Costs Coverage does not apply to cover any:
 - a. Towing of a **covered auto** that is stuck in snow, mud, water, or sand, more than 50 feet from a public road or highway;
 - b. Towing or labor for a **covered auto** that is disabled on roads not regularly maintained, sand beaches, open fields, or areas designated as not passable due to construction, weather, or earth movement.

Custom Equipment Coverage

Subject to all other terms of this Part V, if **you** pay the premium for extra Part V coverage for **custom equipment** that is NOT **factory installed** in a **covered auto**, **we** will pay for **loss** to **custom equipment** as follows:

1. **Custom Equipment** Coverage only applies to non-**factory installed custom equipment** in or on a **covered auto** for which this coverage has been purchased, when that **auto** sustains a **collision** or **comprehensive loss** covered under this Part V.
2. In addition to any deductible that may apply to the **loss** to the **covered auto**, a \$50.00 deductible applies to each claim made for non-**factory installed custom equipment** except when the **covered auto** has been stolen.

3. **You** must give **us** sales receipts or other verifiable proof that the non-**factory installed custom equipment** was purchased or installed on the **covered auto**.
4. **We** will not pay more than the limit of liability shown on the **declarations page** in any one occurrence.
5. **You** must tell **us** if the fair market value of the **custom equipment** has depreciated, and **you** want **us** to lower **your** coverage limit.

Exclusions

We do not provide coverage or other benefits under this Part V for any **loss** or damage:

1. To any vehicle, other than a:
 - a. **Covered auto** for which the coverage has been bought; or
 - b. **Temporary substitute auto**.
2. That occurs while an **auto** is being **used** for the **delivery of persons or property for a fee**.
This does not apply to:
 - a. A shared-expense car pool; or
 - b. **You** or any **family member** unless the primary **use** of the vehicle is to carry **persons** and property for a fee.
3. Due and confined to any of the following:
 - a. Normal wear and tear;
 - b. Rust or other corrosion;
 - c. Freezing;
 - d. Mechanical or electrical breakdown or failure;
 - e. Lack of lubricant or coolant;
 - f. **Mold or fungus** or seepage of water;
 - g. Faulty workmanship; or
 - h. Road damage to tires;
 unless that damage is the result of other **loss** covered by this policy.
4. Due and confined to:
 - a. **Manufacturer's** latent defects or faulty materials;
 - b. **Your** improper or lack of routine maintenance, or failure to perform maintenance as prescribed by the **manufacturer**.
5. To any **custom equipment**, including **electronic equipment**, that is NOT **factory installed**. This will not apply:
 - a. If **you** have paid **us** extra premium, as shown on the **declarations page**, for coverage of **custom equipment** or **electronic equipment** and those items are listed or shown in the **application, declarations page** or any schedule **we** provide.
 - b. For sound reproduction equipment that is **permanently installed** in the **covered auto** in the opening used by the **manufacturer** of the **auto** for a **factory installed** radio. In this case, **we** will not pay more than the lesser of:
 - (1) The actual cost to repair or replace; or

- (2) \$500;
unless:
- (1) That sound reproduction equipment is **factory installed** in the **covered auto**; or
 - (2) **You** buy extra Part V coverage for **custom equipment** that are **NOT factory installed** and that sound reproduction equipment is listed with **us**.
6. To any personal property not **permanently installed** in a **covered auto**.
 7. Intentionally or willfully caused by or at the direction of, **you**, an **insured driver**, a **family member**, or any other **person residing in your household**, even if the damage that results is not what was intended.
This exclusion will not apply to **you**, an **insured driver** or a **family member**, to the extent of that **person's** legal interest in the damaged **covered auto** if that **person**:
 - a. Did not consent to, direct, contribute to, or participate in the act causing the **loss**; and
 - b. Fully cooperates in any investigation by **us** or **law enforcement** relating to the **loss**.
 8. While the **auto** is located for **use** as:
 - a. A residence or premises; or
 - b. An office, store, or display.
 9. That occurs while the **auto** is **used** for any **race, stunt or performance driving**. This does not apply to **loss** that occurs while a **covered auto** is **used** by a **person** who has stolen the **auto**.
 10. Caused by or as a consequence of **war**, unless that **loss** or damage is a result of the theft of the **covered auto**.
 11. That occurs while the **covered auto** is being **used** as an emergency vehicle if it is **used** for that purpose on a regular basis, whether volunteer or otherwise.
 12. Claimed for or resulting from:
 - a. **Diminution of value**; or
 - b. Loss of use of an **auto**; that arises from any **loss**.
 13. Due to legal:
 - a. Confiscation or seizure of the **covered auto** by a government or civil authority for any reason; or
 - b. Repossession of the **covered auto** by a **person** or entity legally entitled to do so.
 14. That arises out of an **auto used** in any **car trade or business**. This exclusion does not apply to **you**, a **family member**, or an agent or employee of **you** or a **family member**, when **using a covered auto**.
 15. Maintaining or **using** any vehicle while that **person** is employed or otherwise engaged in any **business** or occupation. This exclusion does not apply to the maintenance or **use** of a:
 - a. private passenger **auto**;
 - b. pickup or van that is **your covered auto**; or
 - c. trailer **used** with a vehicle described in a. or b. above.
 16. To any vehicle caused by or is so likely to result that intent may be inferred as a matter of law, a **crime** or omission of an **insured person**. This exclusion applies only if the **insured person** is actually charged with, or convicted of, a **crime**. This does not apply to **loss** that occurs when the **covered auto** has been stolen.
 17. That occurs to an **auto** when it is:
 - a. Rented, leased, loaned, sold, or given to anyone in exchange for any fee (exception when the **covered auto** is loaned to another **person** for the reimbursement of operating expenses only);
 - b. Entrusted to another **person** or party for the purpose of subleasing, leasing, renting, or selling and is no longer in **your** possession; or
 - c. Under a conditional sales agreement and is no longer in **your** possession.
 18. Due to theft, embezzlement, or conversion of an **auto**:
 - a. By **you**, any **insured driver**, any **family member**, or any other **person residing in your household**; or
 - b. Prior to its delivery to **you**, an **insured driver**, or a **family member**.

However, this does not apply to the legal interest of a **named insured**, or the **named insured's** spouse who **resides** in the same **household** as the **named insured**, if that **person**:

 - a. Did not consent to, direct, contribute to, or participate in the theft or conversion;
 - b. Files and signs a complaint with **law enforcement** that the **auto** was stolen or converted; and
 - c. Fully cooperates in any investigation by **us**, and investigation and prosecution by **law enforcement**, relating to the **loss**.
 19. To stickers, decals, logos, trademarks, insignias or other decorative marks on windshields or other glass on the **auto** unless **you** paid for **custom equipment** for that display.
 20. To loss of use of a **temporary substitute auto**.
 21. To **loss** to a **temporary substitute auto** if the company providing the **auto** is not allowed to recover for the **loss** from **you**, any **insured driver**, or any **family member** under the rental agreement or **state** law that applies.
 22. Emergency response fees, clean up fees or other fees imposed by local municipalities, **law enforcement** agencies, or other governmental or volunteer agencies as a result of a **motor vehicle accident**.
 23. To an **auto** if it arises out of the operation of the **auto** while the driver is:
 - a. intoxicated; or
 - b. driving while under the influence of alcohol or a controlled substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812, as amended. Controlled substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs. This exclusion does not apply to the lawful use

- of prescription drugs by a person following the orders of a licensed physician; or
- c. texting; or
- d. using a cellular phone or any other communication device in other than a hands-free mode.

Limits of Liability

1. For a **loss** covered under this Part V, **we** will not pay more than **our** Limit of Liability which is the lesser of:
 - a. The **actual cash value**, at the time of **loss**, of the damaged or stolen **auto**, or its parts if the **loss** is limited to parts;
 - b. The amount **necessary** to repair physical damage to the **auto**, or its parts if the **loss** is limited to parts, to return it to its pre-**loss** physical condition. No amount for any **diminution of value** or other change in market value of the **auto** will be included in, or paid with, the amount to repair; or
 - c. The amount **necessary** to replace the damaged or stolen **auto**, or its parts if the **loss** is limited to parts, with that of like kind and quality.
2. **Our** payment will not include the amount of any applicable deductible, as shown on the **declarations page** subject to the following. As to the deductible:
 - a. If the **loss** is to more than one **covered auto** in the same **collision**, a separate deductible shall apply to each **covered auto**.
 - b. If the **loss** to the **covered auto** is the result of more than one **accident** or **loss**, a separate deductible shall apply to each **accident** or **loss**.
 - c. Any deductible amount that **you** are responsible for will not be reduced by any deductible that may apply to a **loss payee** or **lienholder**.
 - d. If **you** paid the extra premium for Part V coverage for **custom equipment** that are NOT **factory installed**, there is an additional \$50.00 deductible that applies to each claim made for those non-**factory installed custom equipment**.
 - e. If the **covered auto** is being **operated** by a **family member**, or any other **person** who **resides** in **your household**, who has not been disclosed to **us** at the time of **loss**, the applicable deductible will be twice the amount shown on the **declarations page** for the **covered auto**.
 - f. If the **loss** to a **covered auto** during the first 90 days that this policy is in force (or rewrite with a lapse in coverage), the applicable deductible shall be twice the amount shown on the **declarations page**.
3. **We** will reduce what **we** will pay under this Part V by the salvage value if **you**, or the **owner**, keep any salvage.
4. If a **covered auto** is stolen or **we** decide it is a total **loss**, the **actual cash value** of the **covered auto** will be

determined without consideration to any **custom equipment**, except when **custom equipment** coverage has been purchased, as shown on the **declarations page**.

5. If the **auto** is to be repaired:
 - a. **We** will not pay:
 - (1) More than the prevailing competitive labor rates charged in the area where the **auto** is to be repaired as reasonably found by **us**. **ny** amount for any **diminution of value** due to the repair.
 - b. **We** will prepare a repair estimate that will set forth the amount needed to repair the **auto** and any parts needed to be replaced as a result of the **loss**.
 - c. The repair estimate will:
 - (1) Be based on the use of new or used **OEM parts, recycled parts** or **after-market parts**, as **we** see fit; and
 - (2) Specify which parts are new or used **OEM parts, recycled parts** or **after-market parts**.
6. If **you** agree to have window glass repaired at **our** expense after a **loss**, **we** have no duty to also:
 - a. Pay the **actual cash value** of that glass; or
 - b. Replace it.
7. For coverage provided under this Part V for **loss** to a **temporary substitute auto**, **we** will:
 - a. Apply the same **Collision** and/or **Comprehensive** coverage under Part V; and
 - b. Apply the same deductible; that applies to the **covered auto** that the **temporary substitute auto** is replacing. There is no coverage under this Part V for **loss** to a **temporary vehicle**. Any applicable coverage for **loss** to a **temporary vehicle** will be under Part I.
8. To ascertain the amount **necessary** to repair or replace the damaged property in Part V, an adjustment for **depreciation** and physical condition may be made based upon the wear and tear and physical condition of the property or damaged part of the property at the time of the **loss**. This adjustment for physical condition and unrepaired prior damage **includes, but is not limited to**, broken, cracked or missing parts, rust, dents, scrapes, gouges, and paint condition, such as peeling or chipped paint. The reduction for physical condition or unrepaired prior damage does not apply if the **loss** would require labor, parts, and materials, regardless of any prior physical condition or prior damage.
9. No one is entitled to recover more than once from **us** for the same elements of **loss** or damages that have been paid by this policy, **including, but not limited to**, payments under Uninsured/Underinsured Motorist Property Damage Coverage, or under any other coverage or from any other source.

Payment of Loss

1. As **we** see fit, **we** will:

- a. Pay for the **loss** in money; or
- b. Repair or replace the damaged or stolen property.
2. **We** may make payment for a **loss** to **you**, the **owner** or the **loss payee or lienholder** of the **covered auto**.
3. **We** may, at any time before the **loss** is paid or the property is replaced by **us**, return, at **our** expense any stolen property either to **you** or to the address shown in **our** records with payment for the resulting damage.
4. As to salvage:
 - a. **We, you**, or the **owner** may keep all or part of the salvaged property that has sustained a **loss**. If **you** or the **owner** keep salvage, **we** will reduce the amount to be paid by **us** by the agreed or appraised value of the salvage.
 - b. **You** may not abandon salvage to **us**.
 - c. **We** have no duty to preserve salvage.

Other Insurance

1. If there is other insurance or source of recovery that applies for **loss** to a **covered auto**, **we** will pay the proportionate share **our** limit of liability bears to the total of all available sources of recovery. The deductible of this policy will be taken in a proportionate share based on the deductibles of each policy. However, any coverage **we** provide under this Part V for **loss** to a **temporary substitute auto** shall be excess over any other insurance or source of recovery for that **auto**.
2. Other sources of recovery **include, but are not limited to**, any:
 - a. Coverage from or by the **auto owner**; and
 - b. Other physical damage insurance available.
3. If **you** bought both Uninsured/Underinsured Motorist Property Damage Coverage and Collision Coverage from **us** on this policy (or from any other policy or similar coverage) which both apply to the **property damage** or **loss**, that **insured person** may:
 - a. Choose which coverage to apply to the **loss**, and
 - b. Recover under both coverages but only if:
 - (1) Neither coverage alone is sufficient to cover all of the **property damage** or **loss** resulting from that single **accident**;
 - (2) The higher deductible amount is applied (both deductibles do not apply); and
 - (3) No more than the actual damages will be recovered.

Appraisal

1. If **we** and **you** do not agree on the amount of the **loss**, then either party may demand, in writing, an appraisal of the **loss**, and the amount of the **loss** to be covered under this Part V shall be determined by appraisal.

2. If the parties can agree on one appraiser, then the appraiser shall:
 - a. Inspect the **loss**; and
 - b. Decide the amount to be paid under this coverage. The amount determined by the appraiser shall be binding on the parties.
3. However, if the parties are unable to agree on one appraiser, then each party will select a competent and impartial appraiser. The two appraisers shall select a third competent and impartial appraiser. The three appraisers shall:
 - a. Inspect the **loss**; and
 - b. Decide the amount to be paid under this coverage. An amount agreed upon by any two of the three appraisers shall be binding on the parties.
4. Coverage disputes under this policy may not be decided by any appraiser. Only a court with proper jurisdiction shall decide coverage issues.
5. Appraisers have authority only to decide the amount of the **loss**. They have no authority to make any coverage decisions under the policy.
6. If one appraiser is elected, each party shall pay in equal shares the cost of the appraiser. If three appraisers are selected, then each party shall pay the costs of its appraiser and shall pay in equal shares the cost of the third appraiser.
7. **We** do not waive any of **our** rights under the policy by agreeing to an appraisal.

No Benefit to Bailee

No coverage shall, directly or indirectly, benefit any **person** or party caring for, handling, or in custody of property for a fee or other compensation.

GENERAL POLICY TERMS

Entire Contract, Policy Changes & Premium

1. This policy is part of a binding legal contract between **you** and **us**. The contract includes:
 - a. This policy form;
 - b. Endorsements **we** issue;
 - c. The **declarations page**;
 - d. The **application** and **information** listed on the **application**, which:
 - (1) **You** agree is true and correct; and
 - (2) Which **we** relied upon when agreeing to issue this policy and determining the premium **you** must pay for coverage to apply; and
 - e. Coverage election and rejection forms.

This contract contains all agreements between **you** and **us**.
2. The terms of this contract may not be changed or waived except by **our** written agreement.
3. Any change that **you** request to be made to this policy will

apply only to **accidents** and **losses** that occur after the effective date shown on the **declarations page** on which the change is shown.

4. We may adjust **your** premium, up or down, during the policy period and take other permitted action if:
 - a. **You** ask **us** to make any policy changes; or
 - b. Any **information**, upon which **we** rely to set the premium, is incorrect, incomplete, or changes.
We will adjust **your** premium pursuant to **our** rates and rules.
5. **You** agree to:
 - a. Cooperate with **us** in making sure the **information** we rely on is correct and complete; and
 - b. Notify **us** if **your information** changes during the policy period.
6. To properly set premium and insure **you, your family members, drivers, and autos, you** must promptly give **us** notice when:
 - a. There is a change in the number, type, or **use of covered autos** shown on the **declarations page**;
 - b. **You** garage a **covered auto** at a garaging address not shown in **our** records for that **auto**;
 - c. There is any change in the **persons** who **reside** in **your household**;
 - d. There is any change in the **persons** who regularly **operate a covered auto**;
 - e. There is any change in the **driver's license** status of **you, a family member, or an insured driver**;
 - f. **You, a family member, or an insured driver** get married, divorced, or separated;
 - g. **You, a family member, or an insured driver** obtain a **driver's license** or have a **driver's license** suspended, revoked, or refused; or
 - h. There is an **accident** or **loss** by any **person** who **resides in your household** or who regularly **operates a covered auto**.
7. All premium, and any fees or charges that may apply, must be paid.
8. The last day of any time period required by this policy to:
 - a. Pay premium, fees, or charges;
 - b. Perform a duty stated in the policy or in a notice to **you** from **us**; or
 - c. Give any required notice to **us**;may be any day of the year, including a Saturday, Sunday, or public holiday.
9. A coverage rejection, selection, election, or change, or the designation of an excluded driver, shall be binding upon all **persons** insured under the policy if made by:
 - a. The **named insured**; or
 - b. If **residing** in the same **household** as the **named insured** and if not an excluded driver, the **named insured's**:
 - (1) Spouse; or

- (2) Domestic partner if properly registered as such under any **state's** domestic partner or civil union law.

10. If a signature is required by law or otherwise for any coverage rejection, selection or election, or the designation of an excluded driver, the written or electronic signature, or recorded verbal consent, for such action shall be binding on behalf of all **persons** insured under this policy if made by:
 - a. The **named insured**; or
 - b. If **residing** in the same **household** as the **named insured** and if not an excluded driver, the **named insured's**:
 - (1) Spouse; or
 - (2) Domestic partner if properly registered as such under any **state's** domestic partner or civil union law.

Claims Handling

1. We will make every effort to resolve claims promptly and fairly.
2. To determine the value of any claim for damages or **loss** that may be covered by this policy, the sources **we** may use, include, but are not limited to:
 - a. Review of medical records and test results that are reasonably related to the **loss** by **persons** or services **we** choose.
 - b. Exams, at **our** expense, by doctors **we** choose as often as **we** reasonably request.
 - c. Computer programs and databases and published sources for:
 - (1) The analysis of medical treatment and expenses;
 - (2) Bodily injury, medical, medical expense, and damage **information**;
 - (3) The evaluation of injuries and prediction of jury verdicts; and/or
 - (4) Determination of vehicle values and cost of repair and/or replacement.
 - d. Estimates by vehicle repair shops.
 - e. Third-party vendors providing estimating, appraisal, injury evaluation, earnings calculators, and analysis.

Claims Handling: Additional Terms for Medical Payments Coverage

In addition to any and all other terms set forth in this policy, these Additional Terms apply to Part III:

1. To determine that any **medical expense**, as defined under Part III, is:
 - a. Reasonable and **necessary** for treatment of the **bodily injury**;
 - b. For a **bodily injury** that results from the **accident**; and

- c. The **usual and customary charge** for the service; **we** may use sources of **information** and experts which may **include, but are not limited to**, all the sources set forth in the “Claims Handling” clause.
2. **We** will not pay for a part or all of a **medical expense**:
 - a. That is unreasonable because the fee for the service is greater than the **usual and customary charge**.
 - b. When the service(s) provided is:
 - (1) Not **necessary** for the diagnosis and treatment of the **bodily injury** caused by the covered **accident**;
 - (2) For the treatment of a **bodily injury** that was not caused by the covered **accident**; or
 - (3) Not performed or prescribed by a **state** licensed medical or health care provider acting within the scope of that license.

Claims Fraud

We may void this policy in accordance with Texas Insurance Code Section 705.003, or deny coverage for an **accident** or **loss** if **you** or any other **person** have fraudulently misrepresented a fact material to the question of **our** liability under the policy and misled **us**, causing **us** to waive or lose a valid defense to the policy.

Loss Payee or Lienholder

If a **loss payee** or **lienholder** is shown on the **declarations page** as applying to a **covered auto**:

1. Any amount to be paid for **loss** to that **auto** will be paid according to **your** interest and that of the **loss payee** or **lienholder**. **We** may make joint or separate payments based on those interests. However, with **your** consent, payment may be made directly to the repair shop where the **loss** is being repaired.
2. This insurance covering the interest of the **loss payee** or **lienholder** shall not become invalid because of **your** fraudulent acts or omissions, unless the **loss** results from **your** conversion, secretion, or embezzlement of **your covered auto**.
3. If the **covered auto** is repossessed by the **loss payee** or **lienholder** after a covered **accident** or **loss**, and the **loss** is payable to the **loss payee** or **lienholder**, that payment shall be subject to a deductible that is the lesser of:
 - a. The deductible shown on the **declarations page**; or
 - b. \$500.
4. Upon cancellation, nonrenewal or any other termination of this policy, **we** will give notice of termination to a **loss payee** or **lienholder**. Any notice given may be delivered electronically.
5. **We** will be subrogated to the **loss payee** or **lienholder's** rights of recovery to the extent of any payment **we** make.

Cancellation

1. **How You May Cancel the Policy**:
 - a. **You** may cancel this policy by:
 - (1) Returning it to **us**;
 - (2) Giving **us** written notice of the future effective date of cancellation; or
 - (3) By any other means **we** and **you** mutually agree to use.
 - b. This policy will end as of 12:01 a.m. on the date **you** return the policy to **us**, or 12:01 a.m. on any future date specified by **you** before any cancellation or other termination.
2. **How We May Cancel the Policy**:
 - a. **We** may cancel this policy by giving notice of cancellation to:
 - (1) The **named insured** shown on the **declarations page**; or
 - (2) The **named insured's** last known address appearing in **our** records.
 - b. **We** will mail or deliver a notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation; or
 - (2) 60 days before the effective date of cancellation if this policy is to be cancelled on any 12-month anniversary of the policy's original effective date.
 - c. The effective date and time of cancellation stated in a notice is the end of the policy period.
 - d. **We** may cancel the policy for any lawful reason:
 - (1) If the policy has been in effect less than 60 days; or
 - (2) At each 12-month anniversary of the policy's original effective date.
 - e. After this policy has been in effect for more than 59 days, or if this is a renewal policy and **we** are not cancelling on the anniversary of the policy's original effective date, **we** may cancel only for one or more of the following reasons:
 - (1) The **failure to pay premium**;
 - (2) There is fraud by **you**, a **family member** or an **insured driver** in a claim;
 - (3) If **your driver's license** or registration for a **covered auto**, or that of:
 - (a) Any driver who lives with **you**; or
 - (b) Any driver who regularly **uses your covered auto**;

has been suspended or revoked. This must have occurred during the current policy period or since the last anniversary of the original effective date if the policy period is other than one year. However, **we** will not cancel the policy for this reason if the **named insured** agrees to exclude all coverage, by endorsement, when any vehicle is being **operated** by the driver whose **driver's license** is suspended

or revoked; or

- (4) If the Texas Department of Insurance determines continuation of this policy would result in a violation of the Texas Insurance Code or any other law governing the business of insurance in the State of Texas.

These specific cancellation reasons set forth above do not apply and do not limit cancellation at any 12-month anniversary of the policy's original effective date.

3. **Premium Refund Upon Cancellation:**

- a. If the policy cancels, the **named insured** may be entitled to a refund of unearned premium. Any refund due will be sent by **us** to the **named insured** no later than the 15th **business day** after the effective date of cancellation or termination.
 - b. If this policy is cancelled for any reason, any refund due will be computed on a daily pro-rata basis, and subject to any fully earned fees.
 - c. **Our** making or offering of a refund:
 - (1) Is not a notice or condition of cancellation; and
 - (2) Will not affect the effective date of any cancellation.
 - d. All policy fees are fully earned on the effective date of the policy.
4. Any cancellation, either by **you** or **us**, will be effective for all **persons** and all vehicles no matter the reason for the cancellation. As to cancellation, this policy is not severable, divisible, or divisible.
 5. Nothing in this "Cancellation" clause shall waive **our** rights to void this policy pursuant to the policy terms.
 6. **We** will not cancel this policy solely because **you** are an elected official.

Nonrenewal

1. **We** may decide not to renew (refuse to renew) this policy only at any 12-month, annual anniversary date of the original effective date of the policy.
2. If **we** decide not to renew this policy, **we** will mail or deliver notice of nonrenewal to a **named insured** shown on the **declarations page** at the last known address shown in **our** records.
3. Notice will be mailed at least 60 days before the end of the policy period.
4. Nothing in this "Nonrenewal" clause shall waive **our** rights to void this policy pursuant to the policy terms.
5. **We** will not fail to renew this policy solely due to:
 - a. **You** being an elected official;
 - b. The age of any **person** covered by the policy;
 - c. Claims for damage from a weather-related incident that do not involve a collision, **including, but not limited to**, hail, flood, tornado, winds, or hurricanes;
 - d. **Accidents** or claims for damage by contact with animals or fowls;

- e. **Accidents** or claims for damages caused by flying gravel, missiles, or falling objects. However, upon renewal **we** may increase the deductible to the higher of \$250 or the next higher available deductible increment in the event of three **losses** in any 36-month period;
- f. Claims for towing and labor. However, **we** may remove towing and labor coverage from **your** policy in the event of 4 such claims in any 36-month period; or
- g. Any other **accidents** or claims in which an insured cannot reasonably be considered to be at-fault, unless there are 2 or more such **accidents** or claims in any 12-month period.

Notice of failure to cooperate: If **you** or any other **person** claiming coverage under this policy fails or refuses to cooperate with **us** in the investigation, settlement, or defense of a claim or action, or if **we** are unable to contact **you** or any other **person** claiming coverage, **we** will notify **you**.

Nonrenewal: After **we** notify **you**, if **you** or any other **person** claiming coverage continue to fail or refuse to cooperate, then **we** will non-renew this policy at the end of the policy period. **We** will non-renew regardless of other required notices and even if it is not **your** policy's anniversary.

Proof of Notice

We may mail or deliver any notice to the **named insured** at the last address shown in **our** records. Proof of mailing or delivery of any notice, where law requires proof, shall be sufficient proof of notice.

Automatic Termination

This policy, or coverage for a **covered auto**, may automatically end as described here:

1. This policy will automatically lapse and expire at the end of the current policy period if:
 - a. **You** do not accept **our** offer to renew **your** policy by the end of the policy period; or
 - b. There is any **failure to pay premium**, when due, for the renewal.

Our renewal offer is deemed rejected if there is any **failure to pay premium**, when due, for the renewal.
2. If other insurance on a **covered auto** is obtained, any similar insurance provided by this policy will end as to that **covered auto** on the effective date of the other insurance.
3. A **covered auto** is no longer a **covered auto** when that **covered auto** is sold, assigned, gifted, or transferred to anyone other than **you**, a **family member**, or an **insured driver**. Coverage for that **covered auto** will end the earlier of when:

- a. Either title or possession is so transferred; or
- b. No **person** shown on the **declarations page** has an insurable interest in the **covered auto**.

Our Right to Rescind

1. **We** have the right to void this policy from its inception, and may do so, if there is any **failure to pay premium** of the initial down-payment or any portion thereof.
2. If **we** void this contract:
 - a. It is as if the contract was never formed, and this policy was never issued.
 - b. There is no coverage for any **accident** or **loss**. However, if **we** void this policy, **our** doing so will not preclude coverage under Part I, but only:
 - (1) If the **accident** occurs before **we** give notice to the **named insured** that the policy is void; and
 - (2) For the portion of damages for **bodily injury** or **property damage** that is less than or equal to **minimum limits** for an innocent injured third party if and as required by Texas law.
 - c. Any partial premium payment **we** have received from **you** will be refunded.
 - d. **You** must repay **us** for any amounts **we** paid to or on behalf of any **insured person** under any part of this policy.
3. If **you**, or **your** assignee or representative, dispute **our** right to rescind, **you** must reimburse **us** for all of **our** lawyer fees, costs and expenses when **we** prevail in any such legal action.

Fraud and Misrepresentation

1. **We may void this policy or deny coverage for material misrepresentation or fraud in the application and/or endorsements** if **you** have made false or incorrect statements or concealed or omitted facts in connection with the **application** or any request for a change for this policy and **we** can show at trial that the matter misrepresented either:
 - a. Was material to the risk; or
 - b. Contributed to the **accident** or **loss** on which this policy became due and payable.
2. **We** have the right to void this policy from its inception or deny coverage, and may do so if:
 - a. **You** or any **person** who would otherwise be insured under this policy made a material misrepresentation, including a false statement, in a proof of **loss** or death in connection with any **accident** or **loss** for which coverage or benefits are sought under this policy; and
 - b. **We** can show at trial that such misrepresentation:
 - (1) Was fraudulently made;
 - (2) Misrepresented a fact material to the question of

our liability under this policy; and

- (3) Misled **us** and caused **us** to waive or lose a valid defense to the policy.
3. If **we** deny coverage under this policy due to fraud, misrepresentation, or an incorrect statement of material fact, **you** must reimburse **us** if **we** make a payment.
4. If **we** void this contract:
 - a. It is as if the contract was never formed, and this policy was never issued.
 - b. There is no coverage for any **accident** or **loss**. However, if **we** void this policy, **our** doing so will not preclude coverage under Part I, but only:
 - (1) If the **accident** occurs before **we** give notice to the **named insured** that the policy is void; and
 - (2) For the portion of damages for **bodily injury** or **property damage** that is less than or equal to **minimum limits** for an innocent injured third party if and as required by Texas law.
 - c. Any partial premium payment **we** have received from **you** will be refunded.
 - d. **You** must repay **us** for any amounts **we** paid to or on behalf of any **insured person** under any part of this policy.
5. If **you**, or **your** assignee or representative, dispute **our** right to rescind or deny coverage, **you** must reimburse **us** for all of **our** lawyer fees, costs and expenses when **we** prevail in any such legal action.

Non-Duplication

No one is entitled to recover more than once from **us** for the same elements of damages or **loss** that have been paid by this policy, under any other coverage or from any other source. However, this non-duplication provision does not affect payments under Part IV Personal Injury Protection.

Our Right to Recover (Subrogation & Reimbursement)

1. Any **person** to whom payment was made to, or on behalf of, under this policy must:
 - a. Cooperate with **us**;
 - b. Do whatever is needed to protect **our** rights to recover; and
 - c. Do nothing after the **loss** to prejudice or harm **our** rights.
2. If there is a payment under this policy:
 - a. **We** will be subrogated to all rights of recovery of the **person** or party, to or for whom payment was made, against another **person** or party; and
 - b. Any **person** to or for whom a payment is made who recovers **loss** or damages from a liable **person** or party, or their insurer, shall:

- (1) Hold the proceeds of that recovery in trust for **us**; and
 - (2) Reimburse **us** to the extent of **our** payment. These rights shall be only to the extent of payments made under this policy.
3. **Our** right to subrogate will not apply as to payments under:
- a. Part II if **we** have consented, in writing, to a settlement between an uninsured or underinsured motorist, or its insurer, and an **insured person** under Part II. An **insured person** under Part II seeking benefits must give **us** at least 30 days' notice of any settlement offer and an opportunity to protect **our** rights.
 - b. Part IV against any **person** who has caused or contributed to an **accident** resulting in the payment of Personal Injury Protection benefits under this policy unless, on the date of **accident**, financial responsibility as required by the Texas Transportation Code, has not been established for the vehicle involved in the **accident** and **operated** by the **person** causing or contributing to that **accident**.
 - c. Part V when a **person uses a covered auto with your** permission.
4. If **we** seek to recover from a liable party:
- a. **You** authorize **us** to seek recovery of any deductible that may apply. **We** will notify **you** if **we** are unable to collect the deductible.
 - b. **We** reserve the right to compromise or settle the deductible and **property damage** claims against the responsible parties for less than the full amount. For those sums, **you** agree to be bound by:
 - (1) A settlement agreement entered into by **us** and the liable party; or
 - (2) The outcome of arbitration.
 - c. If the total recovery is less than the total of **our** payment and the deductible, **we** will reduce reimbursement of the deductible to **you** based on the proportion that the actual recovery bears to the total of **our** payment and the deductible.
 - d. Any reimbursement of the deductible to **you** by **us** will be reduced by a proportionate share of expenses and lawyer fees incurred due to the recovery.
 - e. **We** shall:
 - (1) Take action to recover the deductible against the responsible third party not later than the first anniversary of the date the insured's claim is paid; or
 - (2) Pay the amount of the deductible to the insured. However, **we** are not required to take action or pay the amount of the deductible if, not later than the earlier of the first anniversary of the date the insured's claim is paid or the 90th day before the date the statute of limitations for a negligence action expires, we:
 - (1) Notify the insured in writing that we do not intend

to take further collection actions against the responsible third party; and

- (2) Authorize the insured to take further collection actions.
5. You must reimburse us to the full extent of:
- a. All loss or damages paid by us; and
 - b. Our claims adjustment expense;
- if we make a payment to or on behalf of anyone insured under this policy which is not covered by this policy but is compelled by law.

Legal Action

- 1. No legal action may be brought against us until there has been full compliance with all terms of this policy.
- 2. Any lawsuit against us by a person or party seeking coverage under this policy must be brought within 2 years and 1 day after the date the cause of action first accrues.
- 3. In any lawsuit against any person or party insured under this policy, we shall not be bound by any:
 - a. Stipulated judgment;
 - b. Confessed judgment;
 - c. Default judgment or adverse entry due to failure to appear, respond or plead; or
 - d. Motion granted due to any failure to appear, respond or plead;
 unless we have consented in writing to the entry of that judgment, default or granting of that motion.
- 4. No legal action may be filed against us by anyone insured under this policy until we receive proof of loss and the claim representative assigned to the claim has received 30 days written notice, by certified U.S. mail, return receipt requested, of the intent to file suit and the details of the nature of the dispute.
- 5. As to Part I:
 - a. Except where required by law, no one other than an insured person under Part I of this policy shall have any interest in this policy prior to obtaining a verdict against an insured person.
 - b. No one shall have any right to make us a party to a suit to decide the liability of an insured person.
 - c. No legal action may be brought against us for payment under Part I until:
 - (1) We agree in writing that the insured person, as defined under Part I, has an obligation to pay damages; or
 - (2) The amount of the damages due under Part I on behalf of an insured person has been decided by final judgment after trial.
- 6. As to Part II, any lawsuit against us by a person seeking coverage under Part II must be brought in the county in which:
 - a. The policyholder or beneficiary bringing the action

uninsured motor vehicle or underinsured motor vehicle; or

b. The accident occurred.

7. As to Part V, no one may sue us due to a dispute over the amount of loss payable until after having complied with the Appraisal clause under that Part.
8. We have no duty to preserve or retain salvage of any sort for any purpose including, but not limited to, as evidence for any type of court or other proceeding.
9. We have no duty to file any appeal. However, we reserve the right to file an appeal, at our expense, if any part of a judgment could fall within the scope of coverage provided under this policy. We must be given timely notice of any judgment to which this may apply. We will not be liable for more than the applicable limit of liability under this policy plus the reasonable lawyer fees and expenses incurred with our consent as a result of any appeal we file.

Transfer or Assignment of Your Interest in this Policy

1. Except as otherwise set forth in any type of “Assignment of Benefits” clause under this policy, your rights and duties under this policy may not be transferred or assigned to another person or party without our prior written consent.
2. If a named insured dies:
 - a. This policy will provide coverage, subject to all other terms and conditions of this policy, for:
 - (1) Either of the following persons if residing in the named insured’s household at the time of the death of the named insured, the named insured’s:
 - (a) Spouse; or
 - (b) Domestic partner who is properly registered as such under any state’s domestic partner or civil union law; and
 - (2) The legal representative of the deceased named insured, while acting in that capacity. This only applies to the legal representative’s responsibility to use the covered auto.
 - b. Coverage will end the earliest of:
 - (1) The end of the policy period shown in the declarations page;
 - (2) When the policy is cancelled; or
 - (3) When the policy otherwise terminates under the terms of this policy.
 - c. The mailing or delivery of any notice required under this policy will be deemed good notice if mailed or delivered to the last known address shown in our records.

Joint and Individual Interests

In addition to the named insured, the following persons, if residing in the same household as the named insured and not

designated as an excluded driver, may change, or cancel the policy, and any such change or cancellation shall be binding on you and all persons provided coverage under this policy:

1. The spouse of the named insured; or
2. The named insured’s domestic partner if properly registered as such under any state’s domestic partner or civil union law.

Compliance with State Law

1. If any term(s) of this policy is in conflict with the laws of the State of Texas, that policy term is deemed revised to conform to Texas law. Disputes as to this policy’s coverage or provisions shall be governed by the laws of the State of Texas.
2. If a court with proper jurisdiction invalidates any exclusion or limitation due to any financial responsibility law or compulsory insurance law, then, to the extent permitted by law, that exclusion or limitation shall apply only to those amounts that are in excess of the minimum limits of coverage mandated under such law.
3. All other policy terms remain in full effect.

Bankruptcy

Bankruptcy or insolvency of a **person** insured by this policy, or that **person’s** estate, shall not relieve **us** of **our** obligations under this policy.

POLICY OPTIONS

Excluded Drivers

1. A specifically named driver may be excluded from all coverage under this policy. This can be done:
 - a. At the request of the named insured; or
 - b. By us where required by law to prevent the policy from being cancelled or non-renewed under the laws of the state where you reside.
2. The excluded driver will be named and shown on the **declarations page** as excluded, and in which case you agree that:
 - a. None of the coverages otherwise afforded by this policy shall apply while such excluded driver is operating any vehicle; and
 - b. This election to exclude such driver(s) will also serve as a rejection of all Uninsured/Underinsured Motorist and Personal Injury Protection coverages while such excluded driver is operating any vehicle.
3. If a driver is named and shown on the **declarations page** as excluded, there is **NO** coverage under any part of this policy for any person, including you and family members, or any other party, for any accident or loss that occurs while

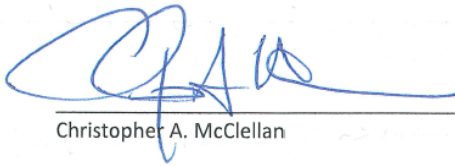
that named excluded driver is operating a vehicle. This will also exclude coverage for any other parties and persons, including, but not limited to, you and any family member who may be liable vicariously or for negligent entrustment as to any accident or loss that arises out of the operation of a vehicle by a named excluded driver.

4. A named driver exclusion will continue to apply to this policy and all renewals, reinstatements and/or replacement policies unless:
 - a. We get written notice from you ending that named driver exclusion; and
 - b. The extra premium for coverage of that driver is paid.

In Witness Whereof, the company has caused the policy to be executed and attested.

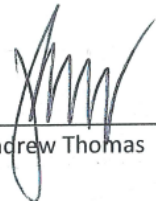
EXECUTED BY:

President:



Christopher A. McClellan

Secretary:



J. Andrew Thomas