

LOYA INSURANCE COMPANY

NEW MEXICO AUTO POLICY

**FOR MORE INFORMATION OR TO MAKE A COMPLAINT,
CALL:**

Servicing office: (915) 590-5692
(800) 554-0595

Claims Office: (915) 590-5692
(800) 880-0472

Address all correspondence to:

Service Office
1800 Lee Trevino, Suite 201
El Paso, Texas 79936

NEW MEXICO MOTOR VEHICLE POLICY

If you pay your premium when due, we agree to provide this insurance, subject to all the terms and provisions of this policy, and up to the limits of Liability described in this policy and shown on the Declarations Page.

YOUR DUTIES IN CASE OF AN ACCIDENT OR LOSS

Notice of Accident or Loss

If there is an accident or loss arising out of ownership, maintenance or use of a vehicle, for which coverage may be provided under this policy, report it to us within twenty-four (24) hours or as soon as practicable by calling us at 1-800-554-0595.

You or an insured person must report each accident or loss even if an insured person is not at fault. The following accident information should be reported as it is obtained:

1. time;
2. place;
3. circumstances of the accident or loss;
4. names and addresses of all persons involved;
5. names and addresses of any witnesses; and
6. the license plate numbers of the vehicles involved.

You should also notify the police within twenty-four (24) hours or as soon as practicable if:

1. you cannot identify the owner or operator of a vehicle involved in the accident; or
2. theft or vandalism has occurred.

OTHER DUTIES

A person claiming coverage under this policy must:

1. cooperate with us in any matter concerning a claim or lawsuit;
2. provide any written proof of loss we may reasonably require;
3. allow us to take signed and recorded statements, including sworn statements and examinations under oath, and answer all reasonable questions we may ask, when and as often as we may reasonably require;
4. promptly send us any and all legal papers relating to any claim or lawsuit;
5. attend hearings and trials as we require;
6. take reasonable steps after loss to protect the covered vehicle or non-owned vehicle from further loss. We will pay reasonable expenses incurred in providing that protection. If you fail to do so, any further damages will not be covered under this

- policy;
7. allow us to inspect and appraise the damage to a covered vehicle or non-owned vehicle before its repair or disposal;
 8. submit to medical examinations at our expense by doctors we select as often as we may reasonably require; and
 9. authorize us to obtain medical and other records.

GENERAL DEFINITIONS

Except as otherwise defined in this policy, terms appearing in boldface will have the following meaning:

1. “Accident” means a sudden, unexpected, and unintended occurrence.
2. “Bodily Injury” means bodily harm, sickness, or disease, including death that results from bodily harm, sickness, or disease.
3. “Business” includes a trade, profession, or occupation.
4. “Covered Vehicle” means:

- a. any vehicle shown on the Declarations Page
- b. any additional vehicle on the date you become the owner if:
 - i. you acquire the vehicle during the policy period shown on the Declarations Page.
 - ii. we insure all vehicles owned by you; and
 - iii. no other insurance policy provides coverage for that vehicle.

If we provide coverage for a vehicle you acquire in addition to any vehicle shown on the Declarations Page, we will provide the broadest coverage we provide for any vehicles shown on the Declarations Page. That coverage will be provided for a period of thirty (30) days after you become the owner. We will not provide coverage after this thirty-day period, unless within this period you ask us to insure the additional vehicle;

- c. any replacement vehicle on the date you become the owner if:
 - i. you acquire the vehicle during the policy period shown on the Declarations Page.
 - ii. the vehicle that you acquire replaces one shown on the Declarations Page; and
 - iii. no other insurance policy provides coverage for that vehicle.

If the vehicle that you acquire replaces one shown on the Declarations Page, it will have the same coverage as the vehicle it replaces. You must ask us to insure a replacement vehicle within thirty (30) days after you become the owner if you want to continue any coverage you had under Part IV-Damage to a Vehicle. If the vehicle replaced did not have coverage under Part IV-Damage to a Vehicle, you may add coverage for the replacement vehicle. However if you are adding coverage under Part IV-Damage to a Vehicle this will not become effective until after you ask us to add the coverage and;

- d. any trailer owned by you while drawn by or attached to a vehicle described in a, b,

- c above.
5. "Declarations Page" means the report from us listing:
 - a. the types of coverage you have elected;
 - b. the limit for each coverage;
 - c. the cost for each coverage;
 - d. the specified vehicles covered by this policy;
 - e. the types of coverage for each such vehicle; and
 - f. other information applicable to this policy.
 6. "Loss" means sudden, direct, and accidental loss or damage.
 7. "Non-owned vehicle" means any vehicle that is not owned by you, a relative, or the named insured's non-resident spouse.
 8. "Occupying" means in, on, entering, or exiting.
 9. "Owned" means the person:
 - a. holds legal title to the vehicle;
 - b. has legal possession of the vehicle that is subject to a written security agreement with an original term of six(6) months or more; or
 - c. has legal possession of the vehicle that is leased to that person under a written agreement for a continuous period of six (6) months or more.
 10. "Owner" means any person who with respect to a vehicle:
 - a. holds legal title to the vehicle;
 - b. has legal possession of the vehicle that is subject to a written security agreement with an original term of six(6) months or more; or
 - c. has legal possession of the vehicle that is leased to that person under a written agreement for a continuous period of six (6) months or more.
 11. "Relative" means a person residing in the same household as you, and related to you by blood, marriage, or adoption, including a ward, stepchild, or foster child. Unmarried dependent children temporarily away from home will be considered residents if they intend to continue to reside in your household.
 12. "Vehicle" means a land motor vehicle:
 - a. of the private passenger, pickup body, or sedan delivery type;
 - b. designed for operation principally upon public roads;
 - c. with at least four(4) wheels; and
 - d. with a gross vehicle weight of 10,000 pounds or less.
 13. "We", "Us", and "Our" mean the company providing the insurance as shown on the Declarations Page.
 14. "You" and "Your" mean a person shown as named insured on the Declarations Page and that person's spouse if residing in the same household.

PART I – LIABILITY TO OTHERS

INSURING AGREEMENT-BODILY INJURY

Subject to the limits of Liability, if you pay a premium for bodily injury liability coverage, we will pay damages, other than punitive or exemplary damages, for bodily injury for which an insured person becomes legally responsible because of an accident arising out of the ownership, maintenance, or use of a vehicle.

INSURING AGREEMENT-PROPERTY DAMAGE

Subject to the limits of Liability, if you pay a premium for property damage liability coverage, we will pay damages other than punitive or exemplary damages, for property damage for which an insured person becomes legally responsible because of an accident arising out of the ownership, maintenance, or use of a vehicle. We will settle or defend, at our option, any claim for damages covered by this Part I.

When used in this Part I

ADDITIONAL DEFINITIONS

1. “Insured Person” or “Insured Persons” means:
 - a. you or a relative with respect to an accident arising out of the ownership, maintenance, or use of a covered vehicle;
 - b. any person with respect to an accident arising out of that person’s use of a covered vehicle with the express or implied permission of you or a relative;
 - c. a relative with respect to an accident arising out of the maintenance or use of a non-owned vehicle with the express or implied permission of the owner of the vehicle;
 - d. you with respect to an accident arising out of the maintenance or use of any vehicle with the express or implied permission of the owner of the vehicle;
 - e. any person or organization with respect only to vicarious liability for an accident arising out of the use of a covered vehicle or non-owned vehicle by a person described in a, b, c, or d above; and
 - f. any additional interest insured designated by you in your application or by a change request agreed to by us, with respect to liability for an accident arising out of the use of a covered vehicle or non-owned vehicle by a person described in a, b, c, or d above.
2. “Property Damage” means physical damage to or destruction or loss of use of tangible property.

ADDITIONAL PAYMENTS

In addition to our Limit of Liability, we will pay for an insured person:

1. all expenses that we incur in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of judgment until we have paid or tendered that portion of the judgment which does not exceed our Limit of Liability. This does not apply if we have not been given notice of suit or the opportunity to defend an insured person;
3. premiums on appeal bonds or attachment bonds required in any lawsuit we defend. We have no duty to purchase bonds in amounts exceeding our Limit of Liability, and we have no duty to apply for or furnish these bonds;
4. up to \$250 for a bail bond required because of an accident arising out of the ownership, maintenance, or use of a covered vehicle or non-owned vehicle. We have no duty to apply for or furnish this bond; and
5. reasonable expenses, including loss of earnings up to \$50 a day, incurred at our request.

EXCLUSIONS – READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART I

Coverage under this Part I, including our duty to defend, does not apply to:

1. bodily injury or property damage arising out of the ownership, maintenance, or use of a vehicle or trailer while being used to carry persons or property for compensation or a fee, including but not limited to, delivery of magazines, newspapers, food, or any other products. This exclusion does not apply to shared- expense car pools;
2. any liability assumed by an insured person under any contract or agreement;
3. bodily injury to an employee of an insured person arising out of or within the course of employment, except for domestic employees if benefits are neither paid nor required to be provided under workers compensation, disability benefits, or similar laws;
4. bodily injury or property damage arising out of an accident involving a vehicle or trailer while being used by a person while employed or engaged in the business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to you, a relative, or an agent or employee of you or a relative, when using a covered vehicle;
5. bodily injury or property damage resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activities, or in practice or preparation for any such contest or activity;
6. bodily injury or property damage due to a nuclear reaction or radiation;
7. bodily injury or property damage for which insurance is afforded under a nuclear energy liability insurance contract;

8. any obligation for which the United States Government is liable under the Federal Tort Claims Act;
9. bodily injury or property damage caused by an intentional act of an insured person or at the direction of an insured person;
10. property damage to any property owned by, rented to, being transported by, used by, or in the charge of an insured person. However, this exclusion does not apply to a rented residence or a rented garage damaged by a covered vehicle;
11. bodily injury or property damage resulting from a relative's operation or use of a vehicle, other than a covered vehicle, owned by a person who resides with you; or
12. bodily injury or property damage resulting from your operation or use of a vehicle owned by you other than a covered vehicle.

LIMITS OF LIABILITY

The Limit of Liability shown on the Declarations Page is the most we will pay regardless of the number of:

1. claims made;
2. covered vehicles;
3. insured persons;
4. lawsuits brought;
5. vehicles involved in an accident; or
6. premiums paid.

If the Declarations Page shows that "combined single limits" or "CSL" applies, the amount shown is the most we will pay for the total of all damages resulting from any one (1) accident. We will apply the "each person" Limit of Liability for bodily injury as required by the law of the state listed on your application as your residence. However this provision does not change our total "each accident" Limit of Liability.

If your Declarations Page shows a split limit:

1. the amount shown for "each person" is the most we will pay for all damages due to a bodily injury to one (1) person;
2. subject to the "each person" limit, the amount shown for "each accident" is the most we will pay for all damages due to bodily injury sustained by two (2) or more persons in any one (1) accident; and
3. the amount shown for "property damage" is the most we will pay for the total of all property damage for which an insured person becomes liable as a result of any one accident.

The bodily injury limit for "each person" includes the total of all claims made for such bodily injury, including, but not limited to, loss of society, loss of

companionship, loss of services, loss of consortium, and wrongful death.

No one will be entitled to duplicate payments for the same elements of damages. Any payment to a person under this Part I shall be reduced by any payment to that person under Part III – Uninsured/Underinsured Motorist Coverage.

A vehicle and attached trailer are considered one (1) vehicle. Therefore, the Limits of Liability will not be increased for an accident involving a vehicle, which has an attached trailer.

FINANCIAL RESPONSIBILITY LAWS

When we certify this policy as proof of financial responsibility, this policy will be:

1. provided in accordance with the coverage defined in the New Mexico Mandatory Financial Responsibility Act (the “Act”) regarding bodily injury, property damage, or both; and
2. subject to all provision of that Act.

You must reimburse us if we make a payment that we would not have made if this policy was not certified as proof of financial responsibility.

OTHER INSURANCE

If there is other applicable liability insurance or bond, we will pay only our share of the damages. Our share is the proportion that our Limit of Liability bears to the total of all applicable limits.

Any insurance we provide for a vehicle, other than a covered vehicle, will be excess over any other collectible insurance, self-insurance, or bond.

OUT-OF-STATE COVERAGE

If an accident to which this Part I applies occurs in any state or province other than the one which a covered vehicle is principally garaged, and the state or province has:

1. a financial responsibility or similar law requiring limits of liability for bodily injury or property damage higher than the limits shown in the Declarations Page, this policy will provide the higher limit; or
2. a compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses a vehicle in that state or province, this policy will provide:
 - a. the required minimum amounts and types of coverage; or
 - b. any higher limit you have elected, provided you have paid the premium for

higher limits.

PART II – MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

Subject to the Limit of Liability shown on the Declarations Page, if you pay a premium for Medical Payments Coverage, we will pay the usual and customary charge for reasonable and necessary expenses, incurred within three (3) years from the date of an accident, for medical and funeral services because of bodily injury:

1. sustained by an insured person;
2. caused by accident; and
3. arising out of the ownership, maintenance or use of a motor vehicle.

Any dispute as to the usual and customary charge will be resolved between us and the service provider.

When used in this Part II:

ADDITIONAL DEFINITIONS

1. “Insured person” and “insured persons” mean:
 - a. you while occupying any vehicle, other than a vehicle owned by you which is not a covered vehicle;
 - b. a relative while occupying a covered vehicle or non-owned vehicle;
 - c. you or any relative when struck by a motor vehicle or trailer while not occupying a motor vehicle; and
 - d. any other person while occupying a covered vehicle.
2. “Usual and customary charge” means an amount which we determine represents a customary charge for services in the geographical area in which the service is rendered. We shall determine this customary charge through the use of independent sources of our choice.

EXCLUSIONS – READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART II.

Coverage under this Part II does not apply to bodily injury:

1. sustained while occupying a vehicle while being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines; newspapers, food, or any other products. This exclusion does not apply to shared-

- expense car pools;
2. sustained while occupying any vehicle while being used as a residence or premises;
 3. if workers' compensation benefits are available for the bodily injury;
 4. arising out of an accident involving a vehicle while being used by a person while employed or engaged in the business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to you, a relative, or an agent or employee of you or a relative, when using a covered vehicle;
 5. resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity;
 6. due to a nuclear reaction or radiation;
 7. for which insurance is afforded under a nuclear energy liability insurance contract;
 8. for which the United States Government is liable under the Federal Tort Claims Act;
 9. sustained by any person while occupying a covered vehicle without the express or implied permission of you or a relative; or
 10. sustained by you or a relative while occupying a non-owned vehicle without the express or implied permission of the owner.

LIMIT OF LIABILITY

The Medical Payments Limit of Liability shown on the Declarations Page is the most we will pay for each insured person injured in any one (1) accident, regardless of the number of:

1. claims made;
2. covered vehicles;
3. insured persons;
4. lawsuits brought;
5. vehicles involved in an accident;
6. premiums paid; or
7. policies issued by us.

Any amounts payable to an insured person under this Part II will be reduced by any amounts paid or payable for the same expense under Part I - Liability To Others or Part III - Uninsured Motorist Coverage.

OTHER INSURANCE

If there is other applicable vehicle medical payments insurance, we will pay only our share of the medical and funeral expenses. Our share is the proportion that our Limit of

Liability bears to the total of all applicable limits. Any insurance that we provide for an insured person occupying a vehicle, other than a covered vehicle, will be excess over any other vehicle insurance providing payments for medical or funeral expenses.

PART III – UNINSURED MOTORIST COVERAGE

Subject to the Limits of Liability, if you pay a premium for Uninsured Motorist Bodily Injury Coverage, we will pay for damages which an insured person is legally entitled to recover from the owner or operator of an uninsured motor vehicle or underinsured motor vehicle because of bodily injury:

1. sustained by an insured person;
2. caused by accident; and
3. arising out of the ownership, maintenance, or use of an uninsured motor vehicle or underinsured motor vehicle.

INSURING AGREEMENT – UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE

Subject to the Limits of Liability, if you pay a premium for Uninsured Motorist Property Damage Coverage, we will pay for damages which an insured person is entitled to recover from the owner or operator of an uninsured motor vehicle because of property damage:

1. caused by accident; and
2. arising out of the ownership, maintenance, or use of an uninsured motor vehicle.

We will pay under this Part III only after the limits of liability under all applicable liability bonds and policies have been exhausted by payment of judgments or settlements.

ADDITIONAL DEFINITIONS

When used in this Part III:

1. “Insured person” and “insured persons” mean:
 - a. you or a relative;
 - b. any person occupying a covered vehicle;
 - c. any person occupying a non-owned vehicle operated by you or a relative that is being used with the permission of the owner as a temporary substitute vehicle for a covered vehicle that has been withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction; and
 - d. any person who is entitled to recover damages covered by this Part III because of bodily injury sustained by a person described in a, b, or c above.

2. "Property damage" means:
 - a. physical damage to or destruction of a covered vehicle; and
 - b. physical damage to or destruction of any property owned by an insured person which is contained in the covered vehicle at the time of the accident.
3. "Relative" shall also include:
 - a. your unemancipated minor child for whom you are required by law to provide financial support ; and
 - b. the spouse of the named insured who does not reside in the same household as the named insured if that spouse had been residing in the same household as the named insured at the beginning of the policy period.
4. "Underinsured Motor Vehicle" means a land motor vehicle for which the sum of all bodily injury liability bonds or policies applicable at the time of the accident, is;
 - a. less than the coverage limit for Uninsured Motorist Coverage shown on the Declarations Page; or
 - b. the proceeds of the liability bond or policy available for bodily injury to the insured person, after payment to other injured persons, is less than the coverage limit for Uninsured Motorist Coverage shown on the Declarations Page.

An underinsured motor vehicle does not include any vehicle or equipment:

 - a. owned by you or a relative.
 - b. owned by any governmental unit or agency;
 - c. operated on rails or crawler treads;
 - d. designed mainly for use off public roads, while not on public roads;
 - e. while used as a residence or premises;
 - f. shown on the Declarations Page of this policy; or
 - g. not required to be registered as a motor vehicle.
5. "Uninsured motor vehicle means a land motor vehicle or trailer of any type:
 - a. to which no liability bond or policy applies at the time of the accident;
 - b. to which a liability bond or policy applies at the time of the accident, but the bonding or insuring company;
 - i. denies coverage; or
 - ii. is or becomes insolvent;
 - c. to which a liability bond or policy applies at the time of the accident, but its limit of liability is less than the minimum limit of liability specified by the financial responsibility law of the state in which a covered vehicle is principally garaged; or
 - d. that is a hit-and-run vehicle whose operator or owner cannot be identified and which causes bodily injury or property damage to an insured person arising out of physical or attempted physical contact, provided that the insured person, or someone on his or her behalf:
 - i. reports the accident to the police or civil authority within twenty-four (24) hours or as soon as practicable after the accident;

- ii. within thirty (30) days thereafter filed with us a statement under oath of the cause or causes of action arising out of the accident; and
- iii. at our request, make available for our inspection the motor vehicle the insured was occupying at the time of the accident.

An Uninsured motor vehicle does not include any vehicle or equipment:

- a. owned by you or a relative;
 - b. owned or operated by a self-insurer under any applicable vehicle law, except a self-insurer that is or becomes insolvent;
 - c. owned by any governmental unit or agency;
 - d. operated on rails or crawler treads;
 - e. designed mainly for use off public roads, while not on public roads;
 - f. while used as a residence or premises;
 - g. shown on the Declarations Page of this policy; or
 - h. not required to be registered as a motor vehicle.
6. "You and Your" mean the person shown as the first named insured on the Declarations Page, and that person's spouse if residing in the same household as the first named insured at the time of the accident.

EXCLUSIONS – READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART III.

Coverage under this Part III is not provided for bodily injury sustained by any person while using or occupying:

1. a vehicle while being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, or any other products. This exclusion does not apply to shared-expense car pools;
2. a covered vehicle without the express or implied permission of you or a relative;
3. a non-owned vehicle without the express or implied permission of the owner; or
4. a vehicle owned by you or a relative, other than a covered vehicle.

Except while occupying a covered vehicle, coverage under this Part III is not provided for bodily injury sustained by the spouse of the person shown as the first named insured on the Declarations Page if that spouse does not reside in the same household as the first named insured at the time of the accident.

Coverage under this Part III will not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:

1. workers' compensation law; or
2. disability benefits law.

Coverage under this Part III is not provided for property damage:

1. sustained while a covered vehicle is being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, or any other products. This exclusion does not apply to shared-expense car pools;
2. any Limit of Liability shown on the Declarations Page for “property damage” under this Part III; or
3. for the first \$250 of the amount of damage to property of that person as the result of any one accident.

Payments for property damage under this Part III are subject to the following provisions:

1. no more than one (1) deductible shall be applied to any one (1) accident; and
2. an adjustment for depreciation and physical condition will be made in determining the Limit of Liability at the time of the accident.

Any payment made to a person under this Part III shall reduce any amount that the person is entitled to recover under Part I – Liability To Others or Part IV – Damage To A Vehicle.

No one will be entitled to duplicate payments for the same elements of damages. Any judgment or settlement for damages against an operator or owner of an uninsured motor vehicle which arises out of a lawsuit brought without our written consent is not binding on us.

OTHER INSURANCE

If there is other applicable uninsured or underinsured motorist coverage, we will pay only our share of the damages. Our share is the proportion that our Limit of Liability bears to the total of all available coverage limits. Any insurance we provide shall be excess over any other uninsured or underinsured motorist coverage, except for bodily injury to an insured person when occupying a covered vehicle.

We will not pay for any damages which would duplicate any payment made for damages under other insurance.

ARBITRATION

Determination of whether an insured person is legally entitled to recover damages, and the amount of damages, will be made by agreement between the insured person and us. If no agreement is reached, the decision shall be made by arbitration if we or the insured person make a written demand for arbitration prior to the expiration of the bodily injury statute of limitations in the state in which the accident occurred. If a written demand for arbitration has been made, then each party shall select an arbitrator. The two arbitrators

will select a third. If the two arbitrators cannot agree on a third arbitrator within thirty (30) days, then on joint application by us and the insured person, the third arbitrator will be appointed by a court having jurisdiction.

Each party will:

1. pay the expenses it incurs; and
2. bear the expenses of the third arbitrator equally;
unless the arbitration costs are awarded to the prevailing party by the arbitrators.

Unless both parties agree otherwise, arbitration will take place in the county in which the insured person resides. Local rules of procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding as to whether the insured person is legally entitled to recover damages from an uninsured or underinsured motorist, and the amount of damages. The arbitrators shall have no authority to award an amount in excess of the Limit of Liability. The decision of the arbitrators is binding only if the amount of the award does not exceed the minimum limit of liability specified by the financial responsibility laws of the state listed on your application as your residence. If the award of the arbitrators is in an amount which exceeds this minimum limit, either party may demand the right to a trial.

This demand must be made in writing within thirty (30) days of the arbitrator's decision. If the demand is not made within thirty (30) days, the amount of damages agreed to by the arbitrators will be binding.

Any lawsuit against us for benefits under this Part III must be commenced prior to the expiration of the bodily injury statute of limitations in the state in which the accident occurred.

PART IV – DAMAGE TO A VEHICLE

INSURING AGREEMENT – COLLISION COVERAGE

If you pay a premium for Collision Coverage, we will pay for loss to a:

1. covered vehicle for which Collision Coverage has been purchased;
2. non-owned vehicle; or
3. trailer.

When it collides with another object or overturns, subject to the Limits of Liability.

INSURING AGREEMENT – COMPREHENSIVE COVERAGE

If you pay a premium for Comprehensive Coverage, we will pay for comprehensive loss to a:

1. covered vehicle for which Comprehensive Coverage has been purchased;
2. non-owned vehicle; or
3. trailer

subject to the Limits of Liability.

A comprehensive loss is a loss to a covered vehicle, non-owned vehicle, or trailer, caused by any event other than collision, including, but not limited to, any of the following:

1. contact with an animal (including a bird)
2. explosion or earthquake;
3. fire;
4. malicious mischief or vandalism;
5. missiles or falling objects;
6. riot or civil commotion;
7. theft or larceny; or
8. windstorm, hail, water, or flood.

If you pay a premium for Comprehensive Coverage under this policy, we will pay you up to \$20 each day for thirty (30) days for any one (1) loss for:

1. transportation expenses incurred by you if a covered vehicle is stolen; or
2. loss of use damages that you are legally liable to pay if a non-owned vehicle is stolen.

Transportation expenses and loss of use damages coverage begins forty-eight (48) hours after you report the theft to us, and ends the earlier of when the covered vehicle or non-owned vehicle has been:

1. recovered and returned to you or its owner;
2. recovered and repaired;
3. replaced; or
4. if the covered vehicle or non-owned vehicle is deemed by us to be a total loss or unrecoverable, forty-eight (48) hours after we make an offer to pay the applicable limit of liability under this Part IV.

You must provide us written proof of your transportation expenses and loss of use damages. If we can pay the loss under either Comprehensive Coverage or Collision Coverage, we will pay under the coverage where you collect the most.

INSURING AGREEMENT – CUSTOM PARTS OR EQUIPMENT COVERAGE

Subject to the Limits of Liability, if you pay a premium for Comprehensive Coverage or Collision Coverage, we will pay for theft of, or damage to, custom parts or equipment resulting from any loss for which Comprehensive Coverage or Collision Coverage is provided under the terms of this policy. All payments for loss to custom parts or equipment shall be reduced by the applicable deductible; but only one (1) deductible may be applied to any one (1) loss in an accident which is covered by this Part IV.

Unless you pay a premium for Additional Custom Parts or Equipment Coverage, and it is shown on the Declarations Page, the Limit of Liability for loss to custom parts or equipment is the lowest of:

1. the actual cash value of such custom parts or equipment, reduced by the applicable deductible and by its salvage value if you or the owner retain the salvage;
2. the amount necessary to repair or replace such custom parts or equipment, reduced by the applicable deductible; or
3. \$1,000.

If you purchase Additional Custom Parts Or Equipment Coverage:

1. the \$1,000 limit shall not apply; and
2. the limit of liability set forth in the Additional Custom Parts Or Equipment Coverage shall apply.

Coverage for custom parts or equipment shall not cause our Limit of Liability for loss to a vehicle under this Part IV to be increased to an amount in excess of the actual cash value of the vehicle.

INSURING AGREEMENT – ADDITIONAL CUSTOM
PARTS OR EQUIPMENT COVERAGE

If you pay a premium for Additional Custom Parts Or Equipment Coverage, the Limit of Liability for loss to custom parts or equipment is the lowest of:

1. the actual cash value of such custom parts or equipment, reduced by the applicable deductible and by its salvage value if you or the owner retain the salvage;
2. the amount necessary to repair or replace such custom parts or equipment, reduced by the applicable deductible; or
3. the declared value of such custom parts or equipment.

This coverage applies only to a covered vehicle for which Additional Custom Parts Or Equipment Coverage has been purchased.

Coverage for additional custom parts and equipment shall not cause our Limit

Liability for loss to a vehicle under this Part IV to be increased to an amount in excess of the actual cash value of the vehicle.

ADDITIONAL DEFINITIONS

When used in this Part IV:

1. "Custom parts or equipment" means equipment, devices accessories, enhancements, and changes, other than those which are original manufacturer installed, which:
 - a. are permanently installed or attached; and
 - b. alter the appearance or performance of the vehicle.
 - c. This includes any electronic equipment, antennas, and other devices used exclusively to send or receive audio, visual, or data signals, or to play back recorded media, other than those which are original manufacturer installed, that are permanently installed in a covered vehicle or non-owned vehicle
 - d. using bolts or brackets, including slide-out brackets.
2. "Non-owned vehicle" means any vehicle that is not owned by you, a relative, a resident of your household, or the spouse of the named insured even if not residing in the same household as the named insured, while in the custody of, or being operated by, you or a relative with the express or implied permission of the owner.
3. "Property damage" means physical damage to, or destruction or loss of use of, tangible property.
4. "Total loss" means:
 - a. the theft of the covered vehicle if the covered vehicle is not recovered within thirty (30) days; or
 - b. any other loss to the covered vehicle that is payable under this Part IV if the cost to repair the damage to the covered vehicle exceeds the actual cash value of the covered vehicle at the time of the loss.
5. "Trailer" means a non-motorized trailer, including a farm wagon or farm implement, designed to be towed on public roads by a land motor vehicle, that is:
 - a. owned by you; or
 - b. not owned by you, while being towed by a covered vehicle; provided that the trailer;
 - i. is not used for commercial or business purposes;
 - ii. is not used as a primary residence;
 - iii. is not used as premises for office, store or display purposes;
 - iv. is not used as a passenger conveyance; and
 - v. does not have built in sleeping facilities.

EXCLUSIONS – READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART IV.

Coverage under this Part IV does not apply for loss:

1. to a covered vehicle, non-owned vehicle, or trailer, while being used to carry persons or property for compensation or a fee including, but not limited to, delivery of magazines, newspaper, food, or any other products. This exclusion does not apply to shared-expense car pools;
2. to a non-owned vehicle or trailer rented by you or a relative if being maintained or used by a person while employed or engaged in any business. However, this exclusion does not apply if you have paid our business use surcharge;
3. to a non-owned vehicle or trailer, other than one rented by you or relative, if being maintained or used by a person while employed or engaged in any business not described in exclusion 4 below. This exclusion does not apply to the use by you or any relative of a non-owned passenger vehicle or trailer;
4. to a non-owned vehicle or trailer while being used or driven by a person while employed or engaged in the business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicle;
5. to a covered vehicle or non-owned vehicle resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity;
6. to a covered vehicle, non-owned vehicle, or trailer, due to a nuclear reaction or radiation;
7. to a covered vehicle, non-owned vehicle, or trailer, for which insurance is afforded under a nuclear energy liability insurance contract;
8. due to destruction or confiscation by government or civil authorities of a covered vehicle, non-owned vehicle, or trailer, because you or any relative engaged in illegal activities;
9. to a covered vehicle, non-owned vehicle, or trailer, caused by an intentional act of you or a relative or at the direction of you or a relative;
10. to a covered vehicle, non-owned vehicle, or trailer, that is due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown or failure;
 - d. road damage to tires.This exclusion does not apply if the damage results from the theft of a covered vehicle, non-owned vehicle, or a trailer;
11. due to theft or conversion of a covered vehicle, non-owned vehicle, or trailer;
 - a. by you, a relative, or any resident of your household;
 - b. prior to its delivery to you or a relative or
 - c. while in the care, custody, or control of anyone engaged in the business of

- selling the vehicle or trailer;
- 12. to tapes, compact discs, cassettes, and other recording or recorded media;
- 13. to any case or other container designed for use in storing or carrying tapes, compact discs, cassettes, or any other recording or recorded media.
- 14. to any device used for the detection or location of radar, laser, or any other recording or recorded media;
- 15. to custom parts or equipment in excess of the applicable Limit of Liability; or
- 16. to a covered vehicle , non-owned vehicle, or trailer, for diminution of value

LIMITS OF LIABILITY

1. The limit of liability for loss to a covered vehicle , non-owned vehicle, or trailer is the lowest of:
 - a. the actual cash value of the stolen or damaged property at the time of the loss, reduced by the applicable deductible shown on the Declarations Page, and by its salvage value if you or the owner retain the salvage;
 - b. the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible shown on the Declarations Page;
 - c. the amount necessary to repair the damaged property reduced by the applicable deductible shown on the Declarations Page; or
 - d. any applicable Limit of Liability or Stated Amount Vehicle Coverage elected by you, reduced by its salvage value if you or the owner retain the salvage.However, if the loss is to a trailer, the applicable Limit of Liability shall not exceed \$500.
2. Payments for loss covered under Collision Coverage, Comprehensive Coverage, Custom Parts Or Equipment Coverage are subject to the following provisions:
 - a. no more than one (1) deductible shall be applied to any one (1) covered loss;
 - b. if coverage applies to a non-owned vehicle, we will provide the broadest coverage applicable to any vehicle shown on the Declarations Page, however the highest deductible on any covered vehicle shall apply;
 - c. if Stated Amount Vehicle coverage is elected by you, that stated Limit of Liability will be the total limit of Liability applicable for loss to a covered vehicle, including its custom parts or equipment;
 - d. an adjustment for depreciation and physical condition will be made in determining the Limit of Liability at the time of loss;
 - e. in determining the amount necessary to repair damaged property, our estimate will be based on:
 - i. the prevailing competitive labor rates charged in the area where the property is to be repaired, as reasonably determined by us; and
 - ii. the cost of repair or replacement parts and equipment which may be new, refurbished, restored, or used, including, but not limited to:

- (a) original manufacturer parts or equipment and
 - (b) non original manufacturer parts or equipment.
- f. the actual cash value is determined by the market value, age and condition of the vehicle at the time of loss occurs; and
 - g. duplicate recovery for identical elements of damages is not permitted under this policy.
- 3. If more than (1) vehicle is shown on your Declarations Page, Coverage will be provided as specified on the Declarations Page as to each vehicle.
 - 4. Any amount paid or payable to a person under this Part IV shall be reduced by any amount paid for property damage to a covered vehicle under Part III – Uninsured/Underinsured Motorist coverage of this policy.

INSURING AGREEMENT – EMERGENCY TOWING AND LABOR COVERAGE

If you pay your premium for Emergency Towing And Labor Coverage for a covered vehicle, we will pay for towing and labor costs incurred by you as a result of the disablement of the covered vehicle for which this coverage has been purchased, or for disablement of a non-owned vehicle, subject to the Limit of Liability shown on the Declarations Page, provided that:

- 1. the labor is performed at the place of disablement; and
- 2. the disablement does not occur at your residence.

INSURING AGREEMENT – RENTAL REIMBURSEMENT COVERAGE

Subject to the Limit of Liability, if you pay a premium for Rental Reimbursement Coverage, we will reimburse rental charges incurred when you rent a vehicle from a rental agency or vehicle repair shop due to a loss to a covered vehicle that is payable under Comprehensive Coverage or Collision Coverage under this Part IV.

However, this coverage:

- 1. does not apply to theft of a recovered vehicle; and
- 2. applies only to loss to a covered vehicle which has been purchased.

Our limit of liability is the amount and the number of days shown on the Declarations Page.

Rental charges will be reimbursed beginning:

- 1. when the covered vehicle cannot be driven due to a loss; or
- 2. if the covered vehicle can be driven, when you deliver the covered vehicle to a vehicle repair shop for repairs due to the loss; and ending the earlier of when the covered vehicle has been:

- a. returned to you;
- b. repaired;
- c. replaced; or
- d. if the covered vehicle is deemed by us to be a total loss; forty eight (48) hours after we make an offer to pay the applicable limit of Liability under this Part IV.

You must provide us written proof of your rental charges. Duplicate recovery for identical elements of damages is not permitted under this policy.

LOAN/LEASE PAYOFF COVERAGE

If you pay a premium for Loan/Lease Payoff Coverage for a covered vehicle and the covered vehicle for which coverage has been purchased sustains a total loss, we will pay, in addition to any amounts otherwise payable under this Part IV, the difference between:

1. the actual cash value of the covered vehicle at the time of loss reduced by the applicable deductible and by its salvage value if you or the owner retain the salvage; and
2. any greater amount the owner of the covered vehicle is legally obligated to pay under a written loan or lease agreement to which the covered vehicle is subject at the time of loss, reduced by any:
 - a. unpaid finance charges or refunds due to the owner for such charges;
 - b. excess mileage charges or charges for wear and tear;
 - c. charges for extended warranties or refunds due to the owner for extended warranties;
 - d. charges for credit insurance or refunds due to the owner for credit insurance;
 - e. past due payments and charges for past due payments;
 - f. collection or repossession expenses; and
 - g. by its salvage value if you retain the salvage.

However, our payment under this Loan/Lease Payoff Coverage shall not exceed twenty five percent (25%) of the actual cash value of the covered vehicle at the time of the total loss.

Loan/Lease Payoff Coverage applies only while the covered vehicle is covered for both Collision Coverage and Comprehensive Coverage.

PAYMENT OF LOSS

At our expense, we may return any recovered stolen property to you or to the address shown on the Declarations Page, with payment for any damage resulting from the theft.

We may keep all or part of the property at the agreed or appraised value. We may settle any loss with appraised value. We may settle any loss with you or the owner or lien holder of the property.

NO BENEFIT TO BAILEE

Coverage under this Part IV will not directly or indirectly benefit any carrier or other bailee for hire.

LOSS PAYEE AGREEMENT

Payment for loss to a covered vehicle will be made according to your interest and the interest of any loss Payee or lien holder shown on the Declarations Page or designated by you. Payment may be made to both jointly, or separately, at our discretion.

Where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of you or a relative, the Loss Payee or lien holder's interest will not be protected.

We will be entitled to the Loss Payee or lien holder's rights of recovery, to the extent of our payment to the Loss Payee or lien holder.

OTHER INSURANCE

If there is other applicable insurance, we will pay only our share of the loss. Our share is the proportion that our Limit of Liability bears to the total of all applicable limits of liability. However, any insurance that we provide for a vehicle other than a covered vehicle, or for any trailer, will be excess over any other collectible source of recovery including, but not limited to:

1. any coverage provided by the owner of the non-owned vehicle or trailer; and
2. any other applicable physical damage insurance.

APPRAISAL

If we cannot agree with you on the amount of a loss, then we or you may demand an appraisal of the loss. If so each party shall appoint a competent and impartial umpire chosen by the appraisers. The amount of loss agreed to by any two will be binding. You will pay your appraiser's fees and expenses. Payment of the umpire and all other expenses of the appraisal will be shared equally between us and you. Neither we nor you waive any rights under this policy by agreement to an appraisal.

GENERAL PROVISIONS

POLICY PERIOD AND TERRITORY

This policy applies only to those accidents and losses occurring during the policy period shown on the Declarations Page and which occur within any state, territory, or possession of the United State of America, or any province of Canada, or while a covered vehicle, non-owned vehicle or trailer is being transported between their ports.

POLICY CHANGES

This policy, your insurance application (which is made a part of this policy as if attached hereto), your Declarations Page, as amended, and endorsements issued by us to this policy contain all the agreements between you and us. Subject to the following, its terms may not be changed or waived except by an endorsement issued by us.

The premium for each vehicle is based on information we have received from you or other sources. You agree to cooperate with us in determining if this information is correct and complete, and you will notify us if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period we may adjust your premium during the policy period, or take other appropriate action. To properly insure your vehicle, you must promptly notify us when:

1. you change your address;
2. any resident operators are added or deleted; or
3. you acquire an additional or replacement vehicle.

Changes that may result in a premium adjustment are contained in our rates and rules.

These include but are not limited to:

1. changes in the number, type, or use classification of covered vehicles;
2. changes in operators using covered vehicles or changes in their marital status;
3. a relative obtaining a driver's license or operator's permit;
4. changes in the place of principal garaging of any covered vehicle;
5. changes in coverage, deductibles, or limits of liability; or
6. changes in rating territory or discount eligibility.

TERMS OF POLICY CONFORMED TO STATUTES

If any provision of this policy fails to conform with the legal requirements of the state listed on your application as your residence, the provision shall be deemed amended to conform with such legal requirements. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provisions of this policy shall be

governed by the law of the state listed on your application as your residence.

TRANSFER

This policy may not be transferred to another person without our written consent. If a named insured dies, this policy will provide coverage until the end of the policy periods for the legal representative of the named insured, while acting as such, and for persons covered under this policy on the date of the name insured's death.

FRAUD OR MISREPRESENTATION

This policy was issued in reliance upon the information provided on your insurance application. We may void this policy if you or an insured person made incorrect statements or representations to us with regard to any material fact or circumstance, or knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct; at the time application was made. We may void this policy due to fraud or misrepresentation after the occurrence of an accident or loss. However, if we void this policy, this shall not affect coverage under Part I – Liability to others up to the minimum limits required by the New Mexico Mandatory Financial Responsibility Act if the accident occurs before we notify the named insured that the policy is void. If we void this policy, you must reimburse us if we make a payment. No person who engages in fraudulent conduct in connection with an accident or claim shall be entitled to receive any payment under this policy.

We may deny coverage for an accident or loss if you are an insured person have knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

PAYMENT OF PREMIUM

If your initial premium payment is by check, draft, or any remittance other than cash, coverage under this policy is conditioned upon the check, draft, or remittance being honored upon presentment. If the check, draft, or remittance is not honored upon presentment, this policy may at our option, be deemed void from its inception. This means that we will not be liable under this policy for any claims or damages, which would otherwise be covered if the check, draft, or remittance had been honored upon presentment.

A charge may be added to your account if:

1. you tender a check, draft, remittance or other method of payment to us for any full or partial payment of your premium, other than your initial payment, and the check,

- draft, remittance or other method is returned to us or refused because of insufficient funds, a closed account, or a stop payment; or
2. your premium payment is received after the due date but prior to cancellation.

CANCELLATION

You may cancel this policy by calling or writing us, and stating the future date that you wish the cancellation to be effective. We may cancel the policy by mailing a notice of cancellation to the named insured shown on the Declarations Page at the last known address appearing in our records.

If you do not pay the required premium for this policy when due, this policy may be cancelled. If we cancel this policy because you did not pay the required premium for this policy when due, notice will be mailed at least ten (10) days before the effective date of cancellation.

We may cancel this policy for any reason within the first sixty (60) days of the initial policy period. If we cancel this policy within the first sixty (60) days of the policy period, notice will be mailed at least ten (10) days before the effective date of cancellation.

After this policy is in effect for more than sixty (60) days or if this is a renewal or continuation policy, if we cancel this policy due to a substantial change in risk, notice will be mailed at least thirty (30) days before the effective date of cancellation.

After this policy is in effect for more than sixty (60) days or if this is a renewal or continuation policy, if we cancel the policy for any reason other than nonpayment of premium or due to a substantial change in risk, notice will be mailed at least fifteen (15) days before the effective date of cancellation.

After this policy is in effect for more than sixty (60) days or if this is a renewal or continuation policy, we may cancel only for one (1) or more of the following reasons:

1. you do not pay the required premium for this policy when due;
2. the policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us;
3. willful or negligent acts or omissions by an insured person have substantially increased the hazards insured against;
4. loss of driving privileges through suspension or revocation of your operator's license or that of a covered vehicle;
5. the named insured presented a claim based on fraud or material misrepresentation;

6. reasonable cause;
7. a substantial change in the risk assumed by us; or
8. any other reason specified by law or contained in the rules or regulations of the Superintendent of Insurance of the State of New Mexico.

CANCELLATION REFUND

Upon cancellation, you may be entitled to a premium refund. However, our making or offering of a refund is not a condition of cancellation.

However, we shall retain a cancellation fee if this policy is cancelled at your request or if cancellation is for nonpayment of premium. If this policy is cancelled, coverage will not be provided after the effective date shown in a notice of cancellation.

NONRENEWAL

If we decide not to renew or continue this policy we will mail notice of non renewal to the named insured shown on the Declarations Page at the last known address appearing in our records. Notice will be mailed at least thirty (30) days before the end of the policy period. If the policy period is other than one (1) year, we will have the right not to renew or continue this policy only at each anniversary of its original effective date or earlier if permitted by state law.

PROOF OF NOTICE

Proof of mailing of any notice will be sufficient proof of notice.

AUTOMATIC TERMINATION

Coverage for a covered vehicle shall automatically terminate:

1. when a person other than you or a relative becomes the owner of the vehicle; or
2. on the effective date of any other motor vehicle insurance policy covering that vehicle.

COVERAGE CHANGES

If we make a change which broadens a coverage you have under this edition of your policy, without additional charge, you will receive the broadened coverage. The broadened coverage applies on the date the coverage change is implemented in your state.

This provision does not apply to a general program revision or our issuance of a

subsequent edition of your policy. Otherwise, this policy can be changed only by endorsement issued by us.

LEGAL ACTION AGAINST US

We may not be sued unless there is full compliance with all the terms of this policy. Any lawsuit against us by you, a relative, or any other insured person must be commenced following an accident, or an alleged breach of our obligation under this policy, within the time period set forth as the bodily injury statute of limitations in the laws of the state listed in our records as your principal address.

We may not be sued for payment under Part II liability to others until the obligation of an insured person to pay is finally determined either by final judgment against that person or by written agreement of the insured person, the claimant, and us. No one will have any right to make us a party to a lawsuit to determine the liability of an insured person.

OUR RIGHTS TO RECOVER PAYMENT

In the event of any payment under this policy, we are entitled to all the rights of recovery that the insured person whom payment was made has against another.

That insured person must sign and deliver to us any legal papers relating to that recovery, do whatever else is necessary to help us exercise those rights, and do nothing after an accident or loss to prejudice our rights.

However, we may not assert rights of recovery against any person who was using a covered vehicle with your express or implied permission for any payment under Part IV – Damage To A Vehicle.

When an insured person has been paid by us under this policy and also recovers from another person, entity, or organization, the amount recovered will be held by the insured person in trust for us and reimbursed to us to the extent of our payment.

If recovery is made by an insured person under this policy from a responsible party or that party's insurer without our written consent, the insured person's rights to payment under any affected coverage will no longer exist.

BANKRUPTCY

The bankruptcy or insolvency of an insured person will not relieve us of any obligations under this policy.

NAMED OPERATOR-NON-OWNED VEHICLE COVERAGE

If you elect Named Operator-Non-Owned Vehicle Coverage, you agree with us that this policy is amended as following:

1. GENERAL DEFINITIONS

The general policy definition of “you” and “your” is deleted and replaced by the following:

- a. “You” and “Your” mean the person shown as the named insured on the Declarations Page.
- b. The general policy definition of “covered vehicle” is deleted and no coverage is provided with respect to a covered vehicle under this policy.

2. PART I – LIABILITY TO OTHERS

ADDITIONAL DEFINITION: When used in Part I, the definition of “insured person” and “insured persons” is deleted and replaced by the following:

“Insured person” and “insured persons” mean:

- a. you when operating a vehicle other than a vehicle owned by you or a relative, with express or implied permission of the owner; and
- b. any person or organization with respect only to vicarious liability for an accident arising out of the use of a non-owned vehicle by you with the express or implied permission of the owner.

3. PART II – MEDICAL PAYMENTS, PERSONAL INJURY PROTECTION, OR NO-FAULT MEDICAL COVERAGE

ADDITIONAL DEFINITION: When used in Part II, the definition of “insured person” and “insured persons” is deleted and replaced by the following:

“Insured person” and “insured persons” mean you:

- a. while occupying any vehicle other than a vehicle owned by you; or
- b. when struck by a motor vehicle or trailer while not occupying a motor vehicle.

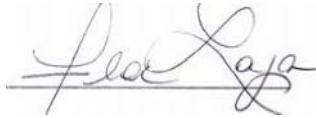
4. PART III – UNINSURED/UNDERINSURED MOTORIST COVERAGE

ADDITIONAL DEFINITION: When used in Part III, the Additional Definition of “insured person” and “insured persons” is deleted and replaced by the following:

“Insured person” and “insured persons” mean:

- a. you; and
- b. any person who is entitled to recover damages covered by Part III because of bodily injury to you.

In **Witness Whereof**, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.

A handwritten signature in cursive script, appearing to read "Fred Rago", written over a horizontal line.

President

A handwritten signature in cursive script, appearing to read "Fred Rago", written over a horizontal line.

Secretary

NEW MEXICO AUTO POLICY AMENDMENT ENDORSEMENT

The following Endorsement applies to your New Mexico Auto Policy.

If you have elected to purchase Uninsured/Underinsured Motorist Coverage, Part III of your New Mexico Auto Policy governing Uninsured/Underinsured Motorist Coverage is superseded in its entirety by this Endorsement and your policy is amended as follows:

PART III – UNINSURED/UNDERINSURED MOTORIST COVERAGE

ADDITIONAL DEFINITIONS USED IN PART III ONLY

When used in this Part III:

A. “**Insured person**” and “**insured persons**” mean:

1. **You**;
2. A **relative**;
3. Any other person occupying **your covered vehicle**;
4. Any person occupying a **non-owned vehicle operated** by **you** or a **relative** that is being used with the permission of the **owner** as a temporary substitute vehicle for a **covered vehicle** that has been withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction; or
5. Any person who is entitled to recover damages covered by this Part III because of **bodily injury** sustained by a person described in A.1, A.2, A.3, or A.4 above.

B. “**Property damage**” means:

1. Physical damage to or destruction of a **covered vehicle**;
2. Physical damage to or destruction of any tangible property owned by an **insured person** which is contained in the **covered vehicle** at the time of the **accident**; and
3. Any physical damage to or destruction of any tangible property owned by **you** or a **relative** while contained in any **non-owned vehicle** that is operated by **you** or any **relative**.

C. “**Relative**” means:

1. A person residing in the same household as **you**, and related to **you** by blood, marriage, or adoption, including a ward, stepchild, or foster child. Unmarried dependent children temporarily away from home will be considered residents if they intend to continue to reside in **your** household;
2. **Your** unemancipated minor child for whom **you** are required by law to provide financial support; and
3. The spouse of the named insured who does not reside in the same household as the named insured if that spouse had been residing in the same household as the named insured at the beginning of the policy period.

D. “**Uninsured motor vehicle**” means a land motor **vehicle** or trailer of any type which is:

1. Not insured by a liability insurance policy or bond at the time of the **accident**.
2. Insured by a liability insurance policy or bond at the time of the **accident**, but the bonding or insuring company denies coverage or is or becomes insolvent.
3. Insured by a liability insurance policy or bond at the time of the **accident**, but that policy or bond’s limit of liability is less than the minimum limit of liability specified by the financial responsibility law of the state in which a **covered vehicle** is principally garaged.
4. A hit-and-run or phantom **vehicle** whose operator or **owner** cannot be identified and which causes an **accident** arising out of physical or attempted physical contact, provided that the **insured person**, or someone on his or her behalf:

- a. reports the **accident** to the police or civil authority within twenty-four (24) hours or as soon as practicable after the **accident**;
 - b. within thirty (30) days thereafter files with **us** a statement under oath of the cause or causes of action arising out of the **accident**; and
 - c. at **our** request, makes available for **our** inspection the motor **vehicle** the **insured person** was **occupying** at the time of the **accident**.
- E. “**Uninsured motor vehicle**” does not include any **vehicle** or equipment:
1. Owned or operated by a self-insurer under any applicable vehicle law, except a self-insurer that is or becomes insolvent;
 2. Operated on rails or crawler treads;
 3. Designed mainly for **use** off public roads, while not on public roads;
 4. While it is located for **use** or being **used** as a residence or premises;
 5. Shown on the **Declarations Page** of this policy; or
 6. Not required to be registered as a motor **vehicle**.
- F. “**Underinsured motor vehicle**” means a land motor **vehicle** to which a liability insurance policy or bond applies at the time of the **accident**, but:
1. The aggregate limits of liability coverage are less than the limits of liability under the **insured person’s** Uninsured/Underinsured Motorist Coverage; or
 2. The proceeds of the liability insurance policy or bond available for **bodily injury** or **property damage** to the **insured person**, after payment to other injured persons, is less than the limits of liability under the **insured person’s** Uninsured/Underinsured Motorist Coverage.
- G. An “**underinsured motor vehicle**” does not include any **vehicle** or equipment:
1. Operated on rails or crawler treads;
 2. Designed mainly for **use** off public roads, while not on public roads;
 3. While it is located for **use** or being **used** as a residence or premises;
 4. Shown on the **Declarations Page** of this policy; or
 5. Not required to be registered as a motor **vehicle**.
- H. “**Use**” of an **uninsured motor vehicle** or **underinsured motor vehicle** means that such **vehicle** must be an active accessory in causing the **bodily injury** or **property damage**. The **bodily injury** or **property damage** must not merely occur while the **uninsured motor vehicle** or **underinsured motor vehicle** is being used or operated. There must be a direct causal connection between the **use** or the operation of the **uninsured motor vehicle** or **underinsured motor vehicle** and the **bodily injury** or **property damage**.
- I. “**You**” and “**Your**” mean the person shown as the named insured on the **Declarations Page**, and that person’s spouse if residing in the same household as the named insured at the time of the **accident**.

INSURING AGREEMENT

- A. Subject to **our** Limits of Liability, if **you** pay a premium for Uninsured/Underinsured Motorist Coverage, **we** will pay for damages which an **insured person** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** or **underinsured motor vehicle** because of **bodily injury** or **property damage**:
1. Sustained by such **insured person**;
 2. Caused by an **accident**; and
 3. Arising out of the ownership, maintenance, or **use** of an **uninsured motor vehicle** or **underinsured motor vehicle**.

- B. We will pay under this Part III only after the limits of liability under all applicable liability insurance policies and bonds have been exhausted by payment of judgments or settlements.
- C. Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

EXCLUSIONS – PART III ONLY

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART III FOR ANY OF THE EXCLUSIONS LISTED BELOW.

- A. We do not provide Uninsured/Underinsured Motorist Coverage for **bodily injury** or **property damage** sustained by any **insured person**:
 - 1. If that person or his legal representative settles the claim without **our** consent.
 - 2. While occupying a **covered vehicle** when it is being **used** to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, or any other products. The exclusion described in this paragraph (A.2) does not apply to shared-expense car pools.
 - 3. While using a **covered vehicle** without the express or implied permission of **you** or a **relative**.
 - 4. While using a **non-owned vehicle** without the express or implied permission of the **owner**.
 - 5. That results from intentional conduct of any person.
 - 6. While **occupying** any **vehicle** when it is being used for racing.
 - 7. That results from the operation of a **covered vehicle** or any other motor **vehicle** by anyone who is not an **insured person** and who is not disclosed to **us** and listed on the **Declarations Page** or added to the policy prior to the **accident**.
- B. We do not provide Uninsured/Underinsured Motorist Coverage for the first \$250 of the amount of **property damage** as the result of any one **accident**. No more than one (1) such deductible shall be applied to any one (1) **accident**.
- C. Additional Exclusion Regarding Underinsured Motorist Coverage.
 - 1. **This automobile insurance policy excludes Underinsured Motorist Coverage in the event of a loss from a motor vehicle accident in which the total reimbursement you receive from other parties' insurance policies is equal to or in excess of the Uninsured/Underinsured Motorist Coverage provided by this policy. This exclusion applies to any insured person. This exclusion (C.1) is in accordance with New Mexico law, as set forth in *Crutcher v. Liberty Mut. Ins. Co.*, decided on October 4, 2021.**

This means we will not provide coverage under this Part III to any person for **bodily injury** or **property damage** caused by the **owner** or operator of a motor **vehicle** who carries liability insurance in an amount equal to the limit of liability under **your** Uninsured/ Underinsured Motorist Coverage, and where the **insured person(s)** recovers the applicable limit from the other **owner** or operator, regardless of the damages sustained by such **insured person(s)**. Therefore, if the limit of liability for Uninsured/Underinsured Motorist Coverage shown on **your Declarations Page** for **bodily injury** is \$25,000 per person/\$50,000 per accident, and the at-fault party carries this same \$25,000 per person/\$50,000 per accident limit of bodily injury liability coverage, and the **insured person(s)** recovers the applicable limit from the at-fault party, this Part III will not provide coverage regardless of the damages sustained by the **insured person(s)**.

- 2. Similarly, if the Uninsured/Underinsured Motorist Coverage limit shown on **your Declarations Page** is “stacked” because **your** policy includes more than one **covered vehicle**, the “stacked” limit of your Uninsured/Underinsured Motorist Coverage will be reduced by the amount of liability insurance the **insured person(s)** recovers from the at-fault party, regardless of the damages sustained by the **insured person(s)**.

- D. Uninsured/Underinsured Motorist Coverage shall not apply directly or indirectly to benefit:
1. Any insurer or self-insurer under a worker's compensation law, disability law, or any similar law.
 2. Any insurer of property.

LIMITS OF LIABILITY – PART III ONLY

A. **Accidents** in which **you** or any **relative** sustains **bodily injury** or **property damage**.

1. If **bodily injury** is sustained by **you** or any **relative**, **our** maximum limit of liability for all resulting damages, including, but not limited to, damages for medical or other care, death, emotional distress, derivative or consequential damages (including, without limitation, damages for loss of consortium, loss of companionship, emotional or mental distress, and loss of services), and prejudgment and post judgment interest, arising out of **bodily injury** sustained by any one person as the result of any one **accident** is the limit of liability shown in the **Declarations Page** for “each person” for Uninsured/Underinsured Motorist bodily injury coverage, multiplied by the number of **covered vehicles** shown in the **Declarations Page**.

Subject to this limit for “each person”, **our** maximum limit of liability for all damages for **bodily injury**, including, but not limited to, damages for medical or other care, death, emotional distress, derivative or consequential damages (including, without limitation, damages for loss of consortium, loss of companionship, emotional or mental distress, and loss of services), and prejudgment and post judgment interest, arising out of **bodily injury** sustained by two or more persons resulting from any one **accident** is the limit of liability shown in the **Declarations Page** for “each accident” for Uninsured/Underinsured Motorist bodily injury coverage, multiplied by the number of **covered vehicles** shown in the **Declarations Page**.

2. **Our** maximum limit of liability for all **property damage**, including prejudgment and post judgment interest, to property owned by **you** or any **relative** resulting from any one **accident** is the limit of liability shown in the **Declarations Page** for “each accident” for Uninsured/Underinsured Motorist property damage coverage, multiplied by the number of **covered vehicles** shown in the **Declarations Page**. An adjustment for depreciation and physical condition will be made in determining the limit of liability at the time of the **accident**.

B. **Accidents** in which **bodily injury** or **property damage** is sustained by any **insured person** other than **you** or any **relative**:

1. If **bodily injury** is sustained by any **insured person** other than **you** or a **relative**, **our** maximum limit of liability for all resulting damages, including, but not limited to, damages for medical or other care, death, emotional distress, derivative or consequential damages (including, without limitation, damages for loss of consortium, loss of companionship, emotional or mental distress, and loss of services), and prejudgment and post judgment interest, arising out of **bodily injury** sustained by any one person as the result of any one **accident** is the limit of liability shown in the **Declarations Page** for each person for Uninsured/Underinsured Motorist bodily injury coverage, regardless of the number of **covered vehicles** shown in the **Declarations Page**.

Subject to this limit for each person, **our** maximum limit of liability for all damages for **bodily injury**, including, but not limited to, damages for medical or other care, death, emotional distress, derivative or consequential damages (including, without limitation, damages for loss of consortium, loss of companionship, emotional or mental distress, and loss of services), and prejudgment and post judgment interest, arising out of **bodily injury** sustained by two or more persons resulting from any one **accident** is the limit of liability shown in the **Declarations Page** for “each accident” for Uninsured/Underinsured Motorist bodily injury coverage, regardless of the number of **covered vehicles** shown in the **Declarations Page**.

2. **Our** maximum limit of liability for all **property damage**, including prejudgment and post judgment interest, to property owned by any **insured person** other than **you** or any **relative** resulting from any one **accident** is the limit of liability shown in the **Declarations Page** for “each accident” for Uninsured/Underinsured Motorist property damage coverage, regardless of the number of **covered vehicles** shown in the **Declarations Page**. An adjustment for depreciation and physical condition will be made in determining the limit of liability at the time of the **accident**.
- C. **We** will pay no more than the maximum limits set forth above (Limits of Liability - Part III subparts A.1, A.2, B.1, B.2) regardless of the number of:
1. **Insured persons**;
 2. Claims made;
 3. Claimants;
 4. **Covered vehicles** shown in the **Declarations Page**;
 5. **Premiums paid**; or
 6. **Vehicles** involved in the **accident**.
- D. Subject to the above maximum limits, **our** limit of liability will be the lesser of:
1. The difference between the amount of an **insured person’s** damages for **bodily injury** or **property damage** and the amount that is paid or payable to that **insured person** for such damages by or on behalf of persons who, or organizations which, may be legally responsible; and
 2. The applicable limit of liability of this coverage.
- E. No one will be entitled to receive duplicate payments for the same elements of damages or loss under this coverage. Any amounts which are otherwise payable for damages under this Part III shall be reduced by all sums:
1. Paid or payable by or on behalf of all persons or entities who may be legally responsible for such **bodily injury** or **property damage**. This includes all sums paid under Part I – Liability Coverage of this policy.
 2. Paid or payable for Medical Payments Coverage under Part II of this policy when the **insured person** receives full compensation for the **bodily injury**.
 3. Paid or payable under a workers’ compensation law, disability benefits law, or similar law when the **insured person** receives full compensation for the **bodily injury**.

OTHER INSURANCE – PART III ONLY

If there is other applicable uninsured or underinsured motorist coverage, **we** will pay only our proportionate share of the damages. **Our** share is the proportion that **our** limits of liability bear to the total of all available coverage limits. However, any insurance **we** provide shall be excess over any other uninsured or underinsured motorist coverage, except for **bodily injury** to an **insured person** when occupying a **covered vehicle**.

We will not pay for any damages which would duplicate any payment made for damages under other insurance.

Moreover, nothing in this Other Insurance – Part III Only provision is meant to modify or to amend any of the terms in the Limits of Liability – Part III Only section of the policy. This includes those provisions reducing, limiting and eliminating coverage in specific circumstances.

For any **property damage** to which Part IV – Damage To A Vehicle of this policy and this Part III both apply, **you** may choose the coverage from which damages will be paid. **You** may recover under both coverages, but only if:

1. Neither one by itself is sufficient to cover the loss.
2. **You** pay the higher deductible amount (but **you** do not have to pay both deductibles); and
3. **You** will not recover more than the actual damages.

ARBITRATION – PART III ONLY

Determination of whether an **insured person** is legally entitled to recover damages, and the amount of damages, will be made by agreement between the **insured person** and **us**. If no agreement is reached, the decision shall be made by arbitration if **we** or the **insured person** make a written demand for arbitration prior to the expiration of the bodily injury statute of limitations in the state in which the accident occurred. If a written demand for arbitration has been made, then each party shall select an arbitrator. The two arbitrators will select a third. If the two arbitrators cannot agree on a third arbitrator within thirty (30) days, then on joint application by **us** and the **insured person**, the third arbitrator will be appointed by a court having jurisdiction.

Each party will pay the costs and fees of its arbitrator and any other expenses it incurs. The costs and fees of the third arbitrator will be shared equally unless otherwise specified in the arbitration award.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resides. Local rules of procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding as to whether the **insured person** is legally entitled to recover damages from an uninsured or underinsured motorist, and the amount of damages. The arbitrators shall have no authority to award an amount in excess of the Limit of Liability. The decision of the arbitrators is binding only if the amount of the award does not exceed the minimum limit of liability specified by the financial responsibility laws of the state listed on **your** application as your residence. If the award of the arbitrators is in an amount which exceeds this minimum limit, either party may demand the right to a trial.

This demand must be made in writing within thirty (30) days of the arbitrator's decision. If the demand is not made within thirty (30) days, the amount of damages agreed to by the arbitrators will be binding.

Any lawsuit against **us** for benefits under this Part III must be commenced prior to the expiration of the bodily injury statute of limitations in the state in which the accident occurred.

LOYA INSURANCE COMPANY

PRIVACY NOTICE

HOW WE USE YOUR PERSONAL INFORMATION

At LOYA INSURANCE COMPANY, We Take Your Privacy Seriously

As a valued customer, you are very important to us. To insure you and your family, we need to have certain information about you. Please be assured:

We are committed to protecting your privacy. We keep your information secure and confidential, and safeguard it in many ways. This notice explains the kinds of information we keep, how we protect it, and who may see it.

WHAT KIND OF INFORMATION WE HAVE AND WHERE WE GET IT: You provide us with most of the information we need as part of the insurance application process. We may also request reports from various consumer reporting agencies in connection with your application for insurance and/or any renewal of such insurance. The kind of information we may gather depends upon the type of policy, but may include: automobile motor vehicle reports, claim reports, credit reports and inspections. We may also receive and verify other information from government agencies or independent reporting companies to help us correctly rate and properly underwrite your insurance risk.

Once you are insured with us, your file may also contain information connected with any claims you have had. The claim representative may comment, for example, on the condition of your insured property, or let us know if there have been any changes in the way it is used. We may also keep a police report, if there was one in connection with an accident.

We also may require some medical information about an insured - if, for example, we need to know whether a physical impairment will affect a person's ability to drive safely. However, we do not share medical information we collect about you internally or externally for any purpose except the following:

- underwriting insurance;
- administrating your policy, account, or claim;
- as required or permitted by law; or
- as otherwise authorized by you

WHO HAS ACCESS TO THIS INFORMATION: Information, which has been collected about you, which we keep, will be contained in our policy and claim records. We restrict access to your personal information only to employees who need it to issue and service your insurance coverage and to settle claims. Except as described below, we will not disclose information about you without your authorization.

You may access the information we collect by contacting our Underwriting Department at 1-800-554-0595 and informing us that you are a resident of New Mexico and you would like to request personal information from our file. You may be charged for costs associated with reproducing documents in our file. If you discover any information that is not accurate, you may contact our Underwriting Department at 1-800-554-0595 and we will instruct you on the procedure you should follow to request a correction of inaccurate information.

We may, without your prior permission and only if permitted by law, provide information about you contained in our records and files to certain persons or organizations such as:

- your independent agent or broker
- our affiliated insurance companies or our reinsurers
- an independent claim adjuster or investigator
- persons or organizations that conduct scientific research, including actuarial or underwriting studies
- an insurance support organization or another insurer, to prevent or prosecute fraud or to properly underwrite the risk.

Also, on rare occasions, we may be required to share this information:

- with a State Insurance Department *or* other governmental agency, if required by federal, state or local laws
- if ordered by a summons, court order, search warrant or subpoena
- to protect our own legal interests, or in case of suspected fraud or other illegal activities.

We may share the information we collect, as described above, with companies that perform marketing services on our behalf and with whom we have joint marketing or servicing agreements. We assure you, however, that we will not sell your information to anyone. We do not reveal information about our customers or former customers to anyone except as permitted by law.

This privacy statement describes our privacy practices for both current and former customers. We will provide one copy of this notice to joint or contract holders; please share this information with everyone covered by your policy or contract. Upon your request, we will send additional copies of this statement.