

**ARIZONA PERSONAL AUTO POLICY
IMPORTANT NOTICE**

The insured has made Loya Insurance Company (hereinafter called the Company) a written application attached hereto and incorporated by reference. All statements and descriptions in the application for this policy or in negotiations therefore, by or on behalf of the insured, shall be deemed to be representations and not warranties. Misrepresentations, omissions, concealment of facts and incorrect statements shall not prevent a recovery under this policy unless:

1. Fraudulent;
2. Material either to the acceptance of the risk, or to the hazard assumed by the Company; and
3. The Company in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the Company as required either by the application for the policy or otherwise.

This policy covers the person named in the policy as the insured and any other person, as insured, using a covered motor vehicle with the express or implied permission of the named insured against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of a covered motor vehicle.

TO REPORT A NEW LOSS OR IF YOU
ALREADY HAVE A CLAIM NUMBER AND
DESIRE INFORMATION CALL
(800) 554-0595
FOR UNDERWRITING INFORMATION CALL
(800) 554-0595
Address all correspondence to:
1800 Lee Trevino, Suite 201
El Paso, Texas 79936

THESE POLICY PROVISIONS WITH THE DECLARATIONS PAGE
AND ENDORSEMENTS, IF ANY, ISSUED TO FORM
A PART THEREOF, COMPLETE THIS POLICY.

This policy does not provide any coverage for any loss that occurs within the Territory of Mexico. Please refer to the "Mexico Warning" on the policy.

**Loya Insurance Company
Arizona Personal Auto Policy**

This is your new Personal Auto Insurance Policy. The policy is written in simplified language you can understand. PLEASE READ YOUR POLICY CAREFULLY – it contains the full terms of our agreements.

If there is any question concerning your policy, please call your producer or company.

YOUR PERSONAL AUTO POLICY QUICK REFERENCE

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the Declarations, it will have the same coverage as the vehicle it replaced if it is acquired during the policy period.

(2) If the vehicle “you” acquire is in addition to any shown in the Declarations, it will have the broadest coverage “we” now provide for any vehicle shown in the Declarations. Coverage begins on the date you become the owner; but only if you ask “us” to insure it within 30 days after the date “you” become the owner of the additional vehicle and “you” pay “us” any added premium due. This provision (2) also applies to any pickup, panel truck or van used in any “business” other than farming or ranching of which “you” become the owner during the policy period.

PERSONAL AUTO POLICY

AGREEMENT

In reliance upon the statements of fact made in the application for this insurance, in return for the payment of premium, and subject to all the terms and conditions of the policy, “we” agree with “you” as follows:

DEFINITIONS

Certain words and phrases are defined. They are in quotation marks when used.

- A. Throughout this policy, “you” and “your” refer to:
 - 1. The named insured shown in the Declaration; and
 - 2. The spouse if a “resident” of the same household.
- B. “We”, “us” and “our” refer to the Company providing this insurance.
- C. For purposes of this policy, a private passenger type “auto” shall be deemed to be owned by a person if leased:
 - 1. under a written agreement to that person; and
 - 2. for a continuous period of at least 6 months.
- D. “Bodily injury” means bodily injury to a person, including resulting sickness, disease or death.
- E. “Business” means any full or part-time profession or occupation.
- F. “Family member” means a person related to “you” by blood, marriage or adoption who is a “resident” of “your” household. This includes a ward or foster child.
- G. “Occupying” means in, upon, getting in, on, out or off.
- H. “Property damage” means physical injury to or destruction of tangible property.
- I. “Trailer” means a vehicle designed to be pulled by a:
 - 1. private passenger “auto”; or
 - 2. pickup, van or panel truck.
 It also means a farm wagon or farm implement while being towed by a vehicle listed in 1. or 2. above.
- J. “Your covered auto” means:
 - 1. Any vehicle shown in the Declarations.
 - 2. Any of the following types of vehicles on the date “you” become the owner:
 - a. private passenger auto; or
 - b. a pickup, van or panel truck for which no other insurance policy provides coverage.
 - (1) If the vehicle described in J.2. (a) or (b) replaces one shown in

- 3. Any “trailer” “you” own.
- 4. Any “auto” or “trailer” “you” do not own, while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. loss; or
 - e. destruction.
- K. “Auto” means a self-propelled private passenger motor vehicle with not less than four wheels designed principally for use on paved public streets and highways, provided that if of the pickup, panel truck, or van type the rated load capacity does not exceed 2,000 pounds.
- L. “Accident” means a sudden, unexpected and unintended event that arises out of the ownership, maintenance, or use of an “auto” as an “auto”, and that causes “bodily injury” or “property damage”.
- M. “Betterment” is defined as an improvement made by “us” that increases the value of the covered “auto” to a condition that was better than it was prior to the covered loss.
- N. “Resident” means actually living in the household in which “you” reside.
- O. “Collision” means the upset of “your covered auto” or its impact with another vehicle or object.
- P. “Other Than Collision” means a loss caused by theft occurring during the policy period, of “your covered auto”, or part thereof, and for loss caused by direct or accidental damage to “your covered auto” other than damage caused by “collision”.
- Q. “Non-owned auto” means any private passenger “auto”, pickup, van or “trailer” not owned by or furnished or available for the regular use of, or rented by, “you” or any “family member” while in the custody of, or being

operated by, "you" or any "family member." However, "non-owned auto" does not include any vehicle used as a temporary substitute for a vehicle "you" own which is out of normal use because of its:

1. Breakdown;
2. Repair;
3. Servicing;
4. Loss; or
5. Destruction.

"Non-owned auto" does not include a vehicle that is not in the lawful possession of the person operating it.

PART A – LIABILITY COVERAGE

INSURING AGREEMENT

- A. "We" will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an "accident" and for which coverage is provided under this policy. "We" will defend any suit asking for these damages. Defense will be provided, through attorneys selected by "us", after such suit is tendered to the Company. In addition to "our" limit of liability, "we" will pay all defense costs "we" incur on "your" behalf for suits seeking damages covered by this policy. "Our" duty to defend ends when "our" limit of liability for this coverage has been exhausted by payment of settlements or judgments. "We" have no duty to defend any suit for "bodily injury" or "property damage" not covered under this policy. "We" have the right, but not the duty, to investigate or settle, up to the limits of liability of the policy and as "we" consider appropriate, any claim asking for damages for "bodily injury" or "property damage" because of an "accident" and for which coverage is provided under this policy.
- B. "Insured" as used in this Part means:
1. "You" or any "family member"; or
 2. Any person using "your covered auto" with "your" express or implied permission.
- C. "We" will not pay or defend any claim which is not covered under this policy.

SUPPLEMENTARY PAYMENTS

In addition to "our" limit of liability, "we" will pay on behalf of an "insured":

1. Up to \$250 for the cost of bail bonds required because of an "accident", including related traffic law violations. The "accident" must result in "bodily injury" or "property damage" covered under this policy.
2. Premiums on appeal bonds and bonds to release attachments in any suit "we" defend.
3. Interest accruing on the covered portion of a judgment entered in any suit "we" defend. "Our" duty to pay interest ends when "we" offer to pay or deposit in court that part of the judgment which is covered and does not exceed "our" limit of liability for this coverage.
4. Up to \$50 a day for loss of earnings, but not other income, because of attendance at hearings or trials at "our" request.

5. Other reasonable expenses incurred at "our" request.

EXCLUSIONS

- A. "We" do not provide Liability Coverage for any person:
1. For "bodily injury" or "property damage" caused intentionally by, or at the direction of, an "insured" or that person; or arising out of an intentional act of an "insured" or that person. However, this exclusion does not apply to an insured's otherwise covered property loss if the property loss is caused by an act of domestic violence by another insured under the policy and the insured who claims the property loss cooperates in any investigation relating to the loss and did not cooperate in or contribute to the creation of the property loss.
 2. For damage to property owned by, or being transported by, that person.
 3. For damage to property:
 - a. rented to;
 - b. used by; or
 - c. in the care, custody or control of: "you", a "family member", any "insured" and/ or that person. This exclusion (A.3.c) does not apply to damage to a residence or private garage
 4. For "bodily injury" during the course of employment to an employee of any "insured" or of that person. This exclusion (A.4.) does not apply to "bodily injury" to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
 5. For that person's liability arising out of the ownership or operation of a vehicle while it is:
 - a. being used to carry property for a fee. This exclusion (A.5.a) does not apply to a share-the-expense car pool;
 - b. used in the course of volunteer work for a tax-exempt organization as described in ARIZ. REV. STAT. ANN. Section 43-1201(A)(1); or
 - c. rented or leased to another. This exclusion (A.5.c.) does not apply if "you" or any "family member" lends "your covered auto" to another for reimbursement of operating expenses only.However, this exclusion only applies in excess of the minimum limits of liability required by the Arizona Financial Responsibility Law.
 6. For that person's liability arising out of the ownership or operation of a vehicle while the person is logged into a transportation network company's digital network or software application to be a driver, whether or not a passenger is occupying the vehicle, or is providing transportation network services.
 7. While employed or otherwise engaged in the "business" of:

- a. selling;
- b. repairing;
- c. servicing;
- d. storing;
- e. parking; or
- f. transporting

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion (A.6.) does not apply to the ownership, maintenance or use of "your covered auto" by:

- a. "you";
- b. any "family member"; or
- c. any partner, agent or employee of "you" or any "family member".

8. For "bodily injury" and/or "property damage" arising out of the ownership, maintenance or use of any "auto" in any trade, profession, occupation or job for the purpose of pick-up and/or delivery of products, food, or other items by an "insured" or any other person. By way of example, and not limitation, "we" will not provide liability coverage for any person who is in the course of delivering food, documents, newspapers or flowers.

However, this exclusion only applies in excess of the minimum limits of liability required by the Arizona Financial Responsibility Law.

9. Using a vehicle without a reasonable belief that the person is entitled to do so.

However, this exclusion only applies in excess of the minimum limits of liability required by the Arizona Financial Responsibility Law.

10. For "bodily injury" or "property damage" for which that person:

- a. is an insured under a nuclear energy liability policy; or
- b. would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

- a. American Nuclear Insurers;
- b. Mutual Atomic Energy Liability Underwriters; or
- c. Nuclear Insurance Association of Canada.

However, this exclusion only applies in excess of the minimum limits of liability required by the Arizona Financial Responsibility Law.

11. For liability assumed by an "insured" under contract for any vehicle:

- a. rented to;
- b. used by; or
- c. in the care of that person.

However, this exclusion only applies in excess of the minimum limits of liability required by the Arizona Financial Responsibility Law.

12. For "bodily injury" to "you", a "family member", any "insured" and/or any designated excluded

driver who would have otherwise been included in the policy definition of an "insured", but only to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the Arizona Financial Responsibility Laws.

13. For "bodily injury" to anyone, whenever the ultimate benefits of such coverage would accrue directly to "you", a "family member", any "insured" and/or any designated excluded driver who would have otherwise been included in the policy definition of an "insured", but only to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the Arizona Financial Responsibility Laws.

14. For exemplary or punitive damages arising out of any loss otherwise covered under this policy.

- B. "We" do not provide Liability Coverage for the ownership, maintenance or use of:

1. Any motorized vehicle having fewer than four wheels.

2. Any vehicle, other than "your covered auto" which is:
- a. owned by "you"; or
 - b. furnished or available for "your" regular use.

3. Any vehicle, other than "your covered auto", which is:

- a. owned by any "family member"; or
- b. furnished or available for the regular use of any "family member".

However, this exclusion (B.3.) does not apply to "your" maintenance or use of any vehicle which is:

- a. owned by a "family member"; or
- b. furnished or available for the regular use of any "family member".

4. Any insured vehicle while the vehicle is being used by "you" or an "insured" in a racing event or speed contest of any kind on other than a highway, as defined in the Arizona statutes.

LIMIT OF LIABILITY

Regardless of the number of vehicles involved in the "accident", persons "insured", claims made, premiums paid, or the number of vehicles or premiums shown in the Declarations Page:

1. The "bodily injury" liability limit for each person as shown in the Declaration Page is the maximum "we" will pay for "bodily injury" sustained by any one person in any one "accident", including all derivative claims which include, but are not limited to, loss of consortium, loss of services, loss of companionship, or injury to any personal relationship.

2. Subject to the "bodily injury" liability limit for each person, the "bodily injury" liability limit for each "accident" as stated in the Declarations Page is the maximum "we" will pay for "bodily injury" sustained by two or more persons in any one "accident", including all derivative claims which

include, but are not limited to, loss of consortium, loss of services, loss of companionship, or injury to any personal relationship.

3. The "property damage" liability limit for each "accident" as stated in the Declarations Page is the maximum "we" will pay for all "property damage" arising out of any one "accident", regardless of the number of persons or organizations suffering such "property damage".
4. If this policy provides "bodily injury" liability in excess of \$25,000 per person and \$50,000 per "accident", and/or "property damage" liability limits in excess of \$15,000 per "accident", then the amount of coverage in excess of those limits shall not apply to the operation or use of a motor vehicle by any person other than the named "insured", an additional driver listed in the declarations of this policy, a "family member", or an employee or agent of the named "insured" in the course and scope of that employment or agency.

OUT OF STATE COVERAGE

If an "accident" to which this policy applies occurs in any state or province other than the one in which "your covered auto" is principally garaged, "we" will interpret "your" policy for that "accident" as follows:

- A. If the state or province has:
 1. A financial responsibility or similar law specifying limits of liability for "bodily injury" or "property damage" higher than the limit shown in the Declarations, "your" policy will provide the higher specified limit.
 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, "your" policy will provide at least the required minimum amounts and types of coverage.
- B. No one will be entitled to duplicate payments for the same elements of loss.

FINANCIAL RESPONSIBILITY

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required. If, due to such certification, "we" are required to pay a claim, which would otherwise have not been covered under this Part, "you" agree to reimburse "us" to the extent of that payment.

OTHER INSURANCE

If there is other applicable liability insurance:

1. Any insurance "we" provide for a vehicle "you" do not own, including any vehicle while used as a temporary substitute for "your covered auto" shall be excess over any other collectible insurance. However, any insurance "we" provide for a vehicle "you" do not own will be primary insurance if the vehicle is insured under a policy affording coverage to a named insured engaged in the "business" of:
 - a. selling;

- b. repairing;
- c. servicing;
- d. delivering;
- e. testing;
- f. road testing;
- g. parking; or
- h. storing

motor vehicles. This applies only if an "insured":

- a. is operating the vehicle; and
 - b. is neither the person engaged in such "business" nor that person's employee or agent.
2. Any insurance "we" provide for a vehicle "you" own shall be excess to that of a person engaged in the "business" of:
 - a. selling;
 - b. repairing;
 - c. servicing;
 - d. delivering;
 - e. testing;
 - f. road testing;
 - g. parking; or
 - h. storingmotor vehicles, if the "accident" occurs while the vehicle is being operated by that person or that person's employee or agent; or
 3. "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.

PART B – MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

- A. "We" will pay any reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":
 1. Caused by an "accident"; and
 2. Sustained by an "insured"."We" will pay only those expenses incurred within one year from the date of the "accident".
- B. "Insured" as used in this Part means:
 1. "You" or any "family member":
 - a. while "occupying;" "your covered auto" or
 - b. as a pedestrian when struck by a motor vehicle designed for use mainly on public roads or a "trailer" of any type.
 2. Any other person while "occupying" "your covered auto" while being used by "you", a "family member" or other persons with "your" permission.

EXCLUSIONS

- "We" do not provide Medical Payments Coverage for any person for "bodily injury":
1. Sustained while "occupying" any motorized vehicle having fewer than four wheels.
 2. Sustained while "occupying" "your covered auto" when it is:
 - a. being used to carry persons or property

for a fee. This exclusion (2.a.) does not apply to a share-the-expense car pool;

b. when "your covered auto" is being used in the course of volunteer work for a tax-exempt organization as described in ARIZ. REV. STAT. ANN. Section 43-1201(A)(1).

c. rented or leased to another. This exclusion (2.c.) does not apply if "you" or any "family member" lends "your covered auto" to another for reimbursement of operating expenses only.

3. Sustained while "occupying" any vehicle located for use as a residence or premises.

4. Occurring during the course of employment if workers' compensation benefits are required or available for the "bodily injury".

5. Sustained while "occupying" or when struck by, any vehicle other than "your covered auto" which is:

- a. owned by "you"; or
- b. furnished or available for "your" regular use.

6. Sustained while "occupying" or when struck by, any vehicle other than "your covered auto" which is:

- a. owned by any "family member"; or
- b. furnished or available for the regular use of any "family member".

However, this exclusion (6.) does not apply to "you".

7. Sustained while "occupying" a vehicle without a reasonable belief that a person is entitled to do so.

8. Arising out of the use of any vehicle in the operation of a "business" for the purpose of delivering property from a "business" to a consumer. By way of example, and not limitation, "we" do not cover food delivery, flower delivery, or document delivery.

9. Caused by or as a consequence of:

- a. discharge of a nuclear weapon (even if accidental);
- b. war (declared or undeclared);
- c. civil war;
- d. insurrection; or
- e. rebellion or revolution.

10. From, or as a consequence of, the following, whether controlled or uncontrolled or however caused:

- a. nuclear reaction;
- b. radiation; or
- c. radioactive contamination.

11. Caused intentionally by, or at the direction of, an "insured" or that person; or arising out of an intentional act of an "insured" or that person.

12. Occurring while an "insured" or that person is engaged in (a) criminal activity, (b) eluding or fleeing arrest, or (c) illegal transportation or

trade.

LIMIT OF LIABILITY

A. The limit of liability shown in the Declarations for this coverage is "our" maximum limit of liability for each person injured in any one "accident". This is the most "we" will pay regardless of the number of:

- 1. "Insureds";
- 2. Claims made;
- 3. Vehicles or premiums shown in the Declarations; or
- 4. Vehicles involved in the "accident".

B. Any amounts otherwise payable for expenses under this coverage shall be reduced by any amounts paid or payable for the same expense under Part A or Part C, provided the injured person receives full compensation for their loss.

C. No payment will be made unless the injured person or that person's legal representative agrees in writing that any payment shall be applied toward any settlement or judgment that person receives under Part A or Part C, provided the injured person receives full compensation for their loss.

OTHER INSURANCE

A. If there is other applicable auto medical payments 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. However, any insurance "we" provide to a person who sustains "bodily injury" while "occupying" a vehicle "you" do not own shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

B. If there is other applicable insurance, which is not motor vehicle liability insurance, available with respect to a loss covered by Part B of this policy, the Insurance under Part B of this policy shall apply only as excess insurance over any such other insurance.

PART C – UNINSURED MOTORIST COVERAGE and UNDERINSURED MOTORIST COVERAGE

If the Declarations Page for this policy indicates that a premium has been paid for Uninsured Motorist Coverage or Underinsured Motorist Coverage, "we" agree to provide such applicable coverage subject to the following:

A. C1–UNINSURED MOTORIST COVERAGE INSURING AGREEMENT

"We" will pay damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of "bodily injury" sustained by an "insured" and caused by an "accident". The owner's or operator's liability for these damages must arise out of the ownership, maintenance, or use of the "uninsured motor vehicle." Any judgment for damages arising out of a suit brought without "our" written consent is not binding on "us". The insurance applies separately with respect to each "insured", but neither this provision nor application of the insurance to more than one "insured" shall operate to increase the limits of the company's liability.

B. C2–UNDERINSURED MOTORIST COVERAGE

INSURING AGREEMENT

"We" will pay damages which an "insured" is legally entitled to recover from the owner or operator of an "underinsured motor vehicle" because of "bodily injury" sustained by an "insured" and caused by an "accident". The owner's or operator's liability for these damages must arise out of the ownership, maintenance, or use of the "underinsured motor vehicle." Any judgment for damages arising out of a suit brought without "our" written consent is not binding on "us". The insurance applies separately with respect to each "insured", but neither this provision nor application of the insurance to more than one "insured" shall operate to increase the limits of the company's liability.

- C. As used in this Part, "Insured" means:
1. "You" or any "family member."
 2. Any other person "occupying" "your covered auto."
 3. Any person, for damages that person is entitled to recover because of "bodily injury" to which this coverage applies, sustained by a person in 1. or 2. above.
- D. "Underinsured motor vehicle" means a land motor vehicle or "trailer" of any type to which a "bodily injury" liability bond or policy applies at the time of the "accident" but the amount available for "bodily injury" under that bond or policy is not enough to pay the full amount the "insured" is legally entitled to recover as damages. However, "underinsured motor vehicle" does not include any vehicle or equipment:
1. To which a "bodily injury" liability bond or policy applies at the time of the "accident" but its limit for "bodily injury" liability is less than the minimum limit for "bodily injury" liability specified by the financial responsibility law of Arizona;
 2. Operated on rails or crawler treads;
 3. Designed mainly for use off public roads while not upon public roads;
 4. While located for use as a residence or premises; or
 5. To which a "bodily injury" liability bond or policy applies at the time of the "accident" but the bonding or insurance company:
 - a. denies coverage; or
 - b. is or becomes insolvent.
- E. "Uninsured motor vehicle" means a land motor vehicle or "trailer" of any type:
1. To which no liability bond or policy applies at the time of the "accident".
 2. To which a "bodily injury" liability bond or policy applies at the time of the "accident" but its limits for "bodily injury" liability is less than the minimum limit for "bodily injury" liability specified by the financial responsibility law of Arizona.
 3. Which, with respect to damages for "bodily injury", is a hit and run vehicle whose owner or operator cannot be identified and which does or does not make physical contact with:
 - a. "you" or any "family member,"
 - b. a vehicle which "you" or any "family

member" are "occupying"; or

c. "your covered auto".

If there is no physical contact with the hit-and-run vehicle, the facts of the "accident" must be proved. The person making the claim shall provide corroboration that the unidentified motor vehicle caused the accident. Corroboration means any additional and confirming testimony, fact or evidence that strengthens and adds weight or credibility to such person's representation of the "accident".

4. To which a liability bond or policy applies at the time of the "accident" but the bonding or insuring company:
 - a. denies coverage;
 - b. refuses to admit coverage except conditionally or with reservation; or
 - c. is or becomes insolvent.

However, "uninsured motor vehicle" does not include any vehicle or equipment:

1. Operated on rails or crawler treads;
2. Designed or modified for use primarily off public roads while not on public roads;
3. While located for use as a residence or premises.
4. Owned by or furnished or available for the regular use of "you" or any "family member" unless there is no Liability Coverage available under Part A. of this policy to respond for damages sustained by an "insured".

EXCLUSIONS

- A. "We" do not provide Uninsured Motorist Coverage or Underinsured Motorist Coverage for "bodily injury" sustained by any person:
1. If that person or their legal representative settles or has been awarded a judgment with respect to the "bodily injury" claim for which we have not been provided notice as required by this policy.
 2. When "your covered auto" is being used as a public or livery conveyance. This exclusion (A.2.a.) does not apply to a share-the-expense car pool or when "your covered auto" is being used in the course of volunteer work for a tax-exempt organization as described in ARIZ. REV. STAT. ANN. Section 43-1201(A)(1).
 3. When "your covered auto" is being rented or leased to others.
 4. When "your covered auto" is being used in business primarily to transport property or equipment.
 5. For punitive or exemplary damages.
- B. Neither Uninsured Motorist Coverage nor Underinsured Motorist Coverage shall apply:
1. Directly or indirectly to benefit:
 - a. any "insured" or self-insurer under any of the following or similar law:
 - (1) workers' compensation law; or
 - (2) disability benefits law.
 - b. an insurer of property.
 2. Directly to the benefit of the United States or any

State or political subdivision thereof.

3. To "bodily injury" claims unless within three years of the date of the "accident" wherein "bodily injury" is sustained, the insured gives written notice to "us" of the insured's intent to pursue a claim; except that the insured may make a claim under C1 within three years after the earliest of:
 - a. the date the insured knew the tortfeasor was uninsured;
 - b. the date the insured knew or should have known that coverage was denied by the tortfeasor's insurer; or
 - c. the date the insured knew or should have known of the insolvency of the tortfeasor's insurer; orexcept that the insured may make a claim under C2 within three years after the date the insured knew or should have known that the tortfeasor has insufficient liability insurance to cover the insured's injuries.

LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for each "accident" for:
 1. Uninsured Motorist Coverage under C1 is "our" maximum limit of liability for all damages for "bodily injury" resulting from any one "accident". This limit includes damages for care, loss of service, loss of consortium and injury to any interpersonal relationship.
 2. Underinsured Motorist Coverage under C2 is "our" maximum limit of liability for all damages for "bodily injury" resulting from any one "accident". This limit includes damages for care, loss of service, loss of consortium and injury to any interpersonal relationship.
- B. The limit of Uninsured Motorist Bodily Injury Liability or of Underinsured Motorist Bodily Injury Liability shown in the Schedule or in the Declarations is the most "we" will pay regardless of the number of:
 1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the "accident".
- C. Any amounts otherwise payable for damages within the loss payable under the terms of these coverages shall be reduced by all sums:
 1. Paid because of the "bodily injury" by, or on behalf of, persons or organizations who may be legally responsible. This includes all sums paid under Part A and Part C;
 2. Paid and the present value of all sums payable because of the "bodily injury" under any worker's compensation law exclusive of non-occupational disability benefits; and
 3. Paid or payable because of the "bodily injury" under any automobile medical payments coverage. This includes all sums paid under Part B.

Except that any such reduction cannot be used to prevent payment of full compensation for damages sustained.

- D. Regardless of the number of vehicles involved, whether insured or not, persons covered, claims made, premiums paid or the number of premiums shown on the policy, in no event shall the limit of liability for two or more motor vehicles or two or more policies issued to "you" by "us" covering the same "accident" be added together, combined, or stacked to determine the limit of insurance coverage available to injured persons. Only one policy and one coverage, selected by the insured and issued to "you" by "us", will be available to injured persons.

OTHER INSURANCE

If there is other applicable insurance available under one or more policy or provision of coverage that is similar to the insurance provided under this part of the policy:

1. Any recovery for damages under all such policies or provisions of coverage may equal, but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.
2. Any insurance "we" provide with respect to a vehicle "you" do not own, including any vehicle while used as a temporary substitute for "your covered auto" shall be excess over any collectible insurance providing such coverage on a primary basis.
3. If the coverage under this policy is provided:
 - a. On a primary basis, "we" will pay only "our" share of the loss that must be paid under insurance providing coverage on a primary basis. "Our" share is the proportion that "our" limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.
 - b. On an excess basis, "we" will pay only "our" share of the loss that must be paid under insurance providing coverage on an excess basis. "Our" share is the proportion that "our" limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

ARBITRATION

- A. If "we" and an "insured" do not agree:
 1. Whether that "insured" is legally entitled to recover damages; or
 2. As to the amount of damages, "we" will provide "you" with written notice advising "you" that "you" must request arbitration or file suit pursuant to the terms of the insurance contract within 3 years of the date "you" provided notice of "your" intent to pursue a claim against the coverage under C1 or C2 of this policy. "Our" notice will be provided to "you" within 2 years after "our" receipt of notice of "your" intent to pursue a claim against C1 or C2 under this policy. In the event "you" wish to pursue arbitration,

the matter or matters upon which either party do not agree shall be settled by a single neutral arbitrator for decision, in accordance with the laws of the state of Arizona. The decision made by the arbitrator may be entered as a judgment in any court having jurisdiction.

3. Arbitration cannot be demanded by the "insured" prior to the "insured" complying with all the terms and conditions of this policy.
 4. Agreement to arbitration does not waive any of the terms and conditions of the policy.
- B. Each party will:
1. Pay the expenses it incurs; and
 2. Bear the expense of the arbitrator equally.
- C. Any decision of the arbitrator will be binding as to:
1. Whether the "insured" is legally entitled to recover damages; and
 2. The amount of damages.
- D. In no event shall "our" liability, regardless of the award of the arbitrator, or any trial demanded pursuant to C.2. above, exceed the applicable limit of liability stated in the Declarations.

PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

- A. "We" will pay for damaged caused by "collision" only if the Declarations indicate that "collision" coverage is provided. "We" will pay for loss caused by "collision" to "your covered auto" as listed in the Declarations of "your" policy, but only for the amount of each loss in excess of the deductible amount stated in the Declarations. Coverage is provided only for the original equipment as available and installed by the manufacturer or its authorized dealer at time of purchase. "We" will pay for loss caused by "collision" to a "non-owned auto", when operated with the permission of the owner, by the named insured, or any listed driver provided that person is legally liable to the owner for the loss to the automobile. Legally liable, as used herein, shall not include liability assumed by contract.
- B. "We" will pay for damage caused by "other than collision" only if the Declarations indicate that "Other Than Collision" coverage is provided. Coverage is provided only for the original equipment as available and installed by the manufacturer or its authorized dealer at time of purchase. "We" will pay only for the amount of each loss in excess of the deductible stated in the Declarations. Loss caused by the following is considered "Other Than Collision":
1. Missiles or falling objects;
 2. Fire;
 3. Theft or larceny;
 4. Explosion or earthquake;
 5. Windstorm;
 6. Hail, water or flood;
 7. Malicious mischief or vandalism;
 8. Riot or civil commotion;
 9. Contact with bird or animal; or
 10. Breakage of glass.
- If breakage of glass is caused by other than "collision",

"you" may elect to have it considered a loss caused by "collision."

TRANSPORTATION EXPENSES

In addition, "we" will pay up to \$10 per day, to a maximum of \$300, for transportation expenses incurred by "you". This applies only in the event of the total theft of "your covered auto". "We" will pay only transportation expenses incurred during the period:

1. Beginning 48 hours after the theft; and
2. Ending when "your covered auto" is returned to use or "we" pay for its loss.
3. "We" will not pay "you" the cost of renting a car from an individual. The car must be rented from a business whose day-to-day operations involve car rental.

EXCLUSIONS

"We" do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

"We" will, therefore, not pay for:

1. Loss to "your covered auto" which occurs while it is used to carry persons or property for a fee. This exclusion (1.) does not apply to a share-the-expense car pool or a motor vehicle used in the course of volunteer work for a tax-exempt organization as described in ARIZ. REV. STAT. ANN. Section 43-1201(A)(1).
2. Loss occurring to "your covered auto" while it is being rented, leased or hired for a fee. This exclusion (2.) does not apply to a motor vehicle used in the course of volunteer work for a tax-exempt organization as described in ARIZ. REV. STAT. ANN. Section 43-1201(A)(1).
3. Damage due and confined to:
 - a. wear and tear;
 - b. deterioration;
 - c. latent or inherent defects;
 - d. freezing;
 - e. mechanical or electrical breakdown or failure; or
 - f. road damage to tires.This exclusion (3.) does not apply if the damage results from the total theft of "your covered auto".
4. Loss due to or as a consequence of:
 - a. radioactive contamination;
 - b. discharge of any nuclear weapon (even if accidental);
 - c. war (declared or undeclared);
 - d. civil war;
 - e. insurrection; or
 - f. rebellion or revolution.
5. Loss or damage to sound producing or recording equipment valued at more than \$500 even though factory or dealer installed, and then only for the amount in excess of the deductible on the coverage applicable.
6. Loss or damage to tapes, records, CD's or other devices for use with equipment designed for the

- reproduction of sound.
7. Loss or damage to a camper body or "trailer" "you" own which is not shown in the Declarations. This exclusion (7.) does not apply to a camper body or "trailer" "you":
 - a. acquire during the policy period; and
 - b. ask "us" to insure within 30 days after "you" become the owner.
 8. Loss to any "non-owned auto" or any vehicle used as a temporary substitute for a vehicle "you" own, when used by "you" or any "family member" without a reasonable belief that "you" or that "family member" are entitled to do so.
 9. "We" will not pay for physical damage to any vehicle other than "your covered auto" which is rented, hired, or leased for a period of less than 6 months, by "you".
 10. Loss to:
 - a. TV antennas;
 - b. awnings or cabanas; or
 - c. equipment designed to create additional living facilities.
 11. Loss to any of the following or the accessories;
 - a. citizen band radio;
 - b. two-way mobile radio;
 - c. telephone; or
 - d. scanning monitor receiver.
 12. Loss to any custom furnishings or equipment in or upon any vehicle. Custom furnishings or equipment include but are not limited to:
 - a. special carpeting and insulation, furniture, bars or television receivers;
 - b. facilities for cooking and sleeping;
 - c. height-extending roofs; or
 - d. custom murals, paintings or other decals or graphics.
 13. Loss to equipment designed or used for the detection or location of radar.
 14. Loss to any "non-owned auto" being maintained or used by any person while employed or otherwise engaged in the "business" of:
 - a. selling;
 - b. repairing;
 - c. servicing;
 - d. storing; or
 - e. parking;
 vehicles designed for use on public highways. This includes road testing and delivery.
 15. Loss to any "non-owned auto" being maintained or used by any person while employed or otherwise engaged in any "business" not described in this exclusion. This exclusion (15.) does not apply to the maintenance or use by "you" or any "family member" of a "non-owned auto" which is a private passenger "auto" or "trailer".
 16. Loss or damage to a vehicle being towed by "your covered auto", which is not shown on the Declarations and for which premium has not been paid. This provision does not pertain to any "trailer".
 17. The cost of delay in repair, nor will "we" pay more than the cost of repair and/or replacement of automobiles of standard makes and similar type, and "we" will not pay for any extraneous items or any finish or special customizing of such vehicle other than as originally and normally manufactured. This policy does not insure, under any of the coverages, the cost of any part of the "auto", or its equipment, that is not permanently attached to the vehicle at the time of loss.
 18. Loss or damage to any specially built body, food vending equipment, catering equipment, or refrigeration equipment, nor to travel "trailers", unless such equipment is described in the application and a premium charged therefor.
 19. The cost of loss or damage to any special equipment or furnishings, unless permanently attached to the covered "auto" and specifically declared in the application from which this policy was issued and then only for the amount in excess of the deductible on the coverage applicable. Special equipment or furnishing includes but is not limited to the following described custom equipment:
 - a. custom car kits;
 - b. custom grills, louvers, scoops, continental kits and/or spoilers;
 - c. chrome, alloy, mag-type wheels or any custom wheel coverings or racing tires or tires wider than those installed as original factory equipment;
 - d. window film tinting;
 - e. alarms, radar detection devices;
 - f. customized t-tops, sunroof, moon roof, convertible tops, and/or customized non-factory vinyl tops;
 - g. customized paint, including but not limited to lacquer paint and upholstery other than the original manufacturer;
 - h. ground effect kits;
 - i. modified and/or altered suspensions other than factory installed;
 - j. special gauges, modified carburetor systems and/or engines.
 20. Loss to "your covered auto" while being operated in any pre-arranged or organized racing or speed contest or in practice or preparation for any such contest.
 21. Any loss to "your covered auto" arising out of or during its commercial use for the transportation of any explosive substance, flammable liquid, or similar hazardous material, except transportation incidental to "your" ordinary household or farm activities.
 22. Any loss resulting from lack of lubricants, oil, transmission fluid, coolant, or loss resulting from seepage of water.
 23. Any loss due to taking or confiscation by governmental or civil authority, for any purpose including temporary taking or temporary

- confiscation.
24. Any loss due to illegal sale, or repossession of a motor vehicle by the rightful owner.
 25. Any loss due to theft, embezzlement or other unlawful conversion of the owned automobile after custody of said automobile has been entrusted to another party for the purpose of subleasing, leasing or selling said automobile, whether under a consignment or not. This exclusion will apply whether the theft, embezzlement or unlawful conversion of the automobile was committed by the person to whom the vehicle was entrusted or by any other person.
 26. Any loss of, or to, or destruction of any vehicle, in whole or in part, intentionally caused by, or at the direction of "you", any "insureds", any "family member", or any person listed as a driver in the Declarations. This exclusion shall not deny an insured's otherwise covered property loss if the property loss is caused by an act of domestic violence by another insured under the policy, and the insured who claims the property loss cooperates in any investigation relating to the loss and does not cooperate or contribute to the creation of the property loss.
 27. "Collision" coverage shall not apply to any "auto" being operated by any person not listed on the policy who has been a "resident" of "your" household for more than 30 days. "You" must notify "us" within 30 days of the time when a person becomes a "resident" who was not listed on the policy.
 28. "Collision" coverage shall not apply to any "auto" being operated by any person without a current valid license to drive a motor vehicle, regardless of where that person resides.
 29. "We" will not pay for diminution of value, caused by "collision" to "your covered auto".
 30. "We" will not pay for diminution of value, caused by "other than collision" to "your covered auto".
 31. Loss to "your covered auto" occurring while an "insured" is engaged in (a) criminal activity, (b) eluding or fleeing arrest, or (c) illegal transportation or trade.

TOWING AND LABOR

"We" will pay towing and labor costs incurred each time "your covered auto" is disabled, up to the amount shown in the Declarations as applicable to the vehicle. "We" will only pay for labor performed at the place of disablement. This coverage applies only to "your covered auto" for which a premium charge is shown in the Declarations for Towing and Labor Costs Coverage.

RENTAL REIMBURSEMENT COVERAGE

"We" will pay for the rental of an "auto" while "your covered auto" is inoperable as a result of "collision". "We" will not pay Rental Reimbursement for damage due to wear and tear, freezing, mechanical or electrical breakdown or failure or road damage to tires. The maximum of "our" liability for rental reimbursement is \$20.00 a day with a \$600.00 maximum of coverage in any 12 month

period. A specific premium charge in the Declarations for Rental Reimbursement Coverage indicates that the Rental Reimbursement Coverage applies to "your" policy.

In addition, "we" will pay up to \$100 for the cost of towing "your" vehicle due to a covered "collision" loss, if the Declarations indicate that Rental Reimbursement Coverage applies to "your" policy.

LIMIT OF LIABILITY

- A. "Our" limit of liability for loss will be the lesser of the:
 1. Actual cash value of the stolen or damaged property, but not to exceed \$50,000.00, unless specifically endorsed for a greater amount, or;
 2. Amount necessary to repair or replace the property, but not to exceed \$50,000.00 unless specifically endorsed for a greater amount or;
 3. Amount necessary to repair the property subject to "our" determination of declaring the property a total loss.
 4. The limit of liability for a "non-owned auto" for "collision" coverage will be the cost to repair or replace the vehicle, up to the amount equal to the actual cash value of "your covered automobile" as listed in the Declarations, "less your" deductible. However, the most "we" will pay for loss to any "non-owned auto" which is a "trailer" is \$500.00.
- B. Actual cash value means cost of a comparable "auto" in the local market area.
- C. "We" reserve the right to make payment for repairs or replacement of property with other property of like kind and quality and/or parts supplied by a source other than the manufacturer of "your" vehicle such as aftermarket, used, recycled, rebuilt, restored, recored or exchanged parts.
- D. "We" reserve the right to take any appropriate deductions from settlement due to "betterment".

TOTAL LOSS

In the event that "we" determine "your" vehicle to be a total loss, "you" must allow "us" to move "your" vehicle to a storage free location of "our" choice. "We" reserve the right to retain "your" vehicle and/or its salvage property after "we" determine that "your" vehicle is a total loss.

PAYMENT OF LOSS

"We" may pay for loss in money or repair or replace the damaged or stolen property. "We" may make this payment to "you" or any "loss payee" as the person or entities interest appear. "We" may, at "our" expense, return any stolen property to:

1. "You"; or
2. The address shown in this policy. If "we" return stolen property, "we" will pay for any damage resulting from the theft. "We" may keep all or part of the property at an agreed or appraised value.

NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER INSURANCE

If other insurance also covers the loss, “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. However, any insurance “we” provide with respect to a “non-owned auto” or any vehicle used as a temporary substitute for a vehicle “you” own shall be excess over any other collectible insurance.

APPRAISAL

- A. If “we” and “you” do not agree on the amount of loss, either may demand an appraisal of the loss. In that event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
1. Pay its chosen appraiser; and
 2. Bear the expenses of the appraisal and umpire equally.
- B. “We” do not waive any of “our” rights under this policy by agreeing to an appraisal.

PART E – DUTIES AFTER AN ACCIDENT OR LOSS

- A. “We” must be notified promptly in writing of how, when and where the “accident” or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- B. A person seeking any coverage as an “insured” must:
1. Cooperate with “us” in the investigation, settlement or defense of any claim or suit.
 2. Promptly send “us” copies of any notices or legal papers received in connection with the “accident” or loss.
 3. Submit, as often as “we” reasonably require:
 - a. to physical exams by physicians “we” select. “We” will pay for these exams.
 - b. to examinations under oath, and correct and sign under oath the transcript of the examination(s) under oath.
 - c. Any documents “we” indicate are reasonable and necessary to investigate and process “your” claim at the examination under oath. Such documents will be provided in a timely manner, and if need be, prior to the scheduled examination under oath.
 4. Authorize “us” to obtain:
 - a. medical reports; and
 - b. other pertinent records.
 5. Submit a proof of loss when required by “us”.
- C. A person seeking Uninsured or Underinsured Motorist Coverage must also:
1. Notify the police as soon as practicable if a hit and run driver is involved.
 2. Provide “us”, as soon as practicable, with a copy of the complaint if a suit is brought by the “insured” against the owner or operator of the “uninsured

3. motor vehicle” or “underinsured motor vehicle”.
 3. Within a reasonable time, make available at “our” expense all pleadings and depositions, if an “insured” brings an action against an owner or operator of an “uninsured motor vehicle or “underinsured motor vehicle.”
 4. Provide “us” with proof that the limits of liability under any applicable liability bond or policies have been exhausted by payment of judgments or settlements.
- D. A person seeking Coverage for Damage to Your Auto must also:
1. Take reasonable steps after loss, at “your” expense, to protect “your covered auto” or a “non-owned auto” and its equipment from further loss. If “your covered auto” is disabled due to loss insured under this policy, “we” will pay a maximum of \$25.00 to transport it from the place of loss to a repair storage facility. “We” will pay storage charges of no more than \$25.00 per day for five days for protection of “your covered auto”.
 2. Notify the police, within 48 hours of discovery of the event, if “your covered auto” is stolen.
 3. Permit “us” to inspect and appraise the damaged property as often as “we” reasonably require before its repair or disposal.
 4. Send “us”, within 60 days of the loss, “your” signed sworn statement in proof of loss in the form provided to “you”; or, if no form is provided to “you”, a form of “your” own creation, sworn to under oath, and showing the date and time of loss, the cause of loss, the actual cash value and amount of loss to “your covered auto”, and attaching detailed repair estimates.

PART F – GENERAL PROVISIONS

BANKRUPTCY

Bankruptcy or insolvency of the “insured” shall not relieve “us” of any obligations under this policy.

CHANGES

This policy contains all the agreements between “you” and “us”. Its terms may not be changed or waived except by endorsement issued by “us”. If a change requires a premium adjustment, “we” will adjust the premium as of the effective date of change. “We” may revise this policy form to provide more coverage without additional premium charge. If “we” do this, “your” policy will automatically provide the additional coverage as of the date the revision is effective in “your” state.

MISREPRESENTATION OR FRAUD

All statements and descriptions in the application for this policy or in negotiations therefore, by or on behalf of the insured, shall be deemed to be representations and not warranties. Misrepresentations, omissions, concealment of facts and incorrect statements shall not prevent a recovery under this policy unless:

1. Fraudulent;

2. Material either to the acceptance of the risk, or to the hazard assumed by the Company;
 3. The Company in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the Company as required either by the application for the policy or otherwise.
3. Notice of the lien shall be given in writing to:
 - a. A court having jurisdiction;
 - b. The "insured";
 - c. Each person, firm and corporation that the "insured" or the "insured's" legal representative alleges are liable for damages arising from the "accident"; and
 - d. That person's, firm's and corporation's insurer.

LEGAL ACTION AGAINST US

- A. No legal action may be brought against "us" until the "insured" has fully complied with all the terms and conditions of this policy. In addition, under Part A, no legal action may be brought against "us" until the amount of the "insured's" obligation to pay has been finally determined either:
 1. by a final judgment against the "insured" after actual trial; or
 2. by written agreement of the "insured", the claimant and "us".
- B. No person or organization has any right under this policy to bring "us" into any action brought to determine the liability of an "insured".
- C. Under Part B and Part D, no legal action may be brought against "us" on this policy, or arising out of any activities of the Company in any way related to this policy, or claims "you" have presented, unless filed within 6 years after the cause of action accrues.
- D. No legal action may be brought against "us" under, upon or resulting from the actions of the Company, with regard to the Uninsured Motorists Coverage or the Underinsured Motorists Coverage, until there has been full compliance with all the terms and conditions of the policy. "You" must file suit pursuant to the terms of the insurance contract within 3 years of the date "you" provided notice of "your" intent to pursue a claim against the Uninsured Motorist Coverage or Underinsured Motorist Coverage under this policy.

OUR RIGHT TO RECOVER PAYMENT

If "we" make a payment under this policy, and the person to or for whom payment was made has a right to recover damages from another, "we" shall be subrogated to that right.

- A. That person shall do:
 1. Whatever is necessary to enable "us" to exercise "our" rights; and
 2. Nothing after loss to prejudice them. However, "our" rights in this paragraph (A.) do not apply under Part D, against any person using "your covered auto" with a reasonable belief that that person is entitled to do so.
- B. With respect to **PART B – MEDICAL PAYMENTS COVERAGE**, if "we" make a payment under this policy and the person to or for whom payment is made recovers damages from another, "we":
 1. Shall be entitled to the proceeds of the recovery; and
 2. May have a lien against such recovery; to the extent of "our" payment in excess of \$5,000.

POLICY PERIOD AND TERRITORY

- A. This policy applies only to "accidents" and losses which occur:
 1. During the policy period as shown in the Declarations; and
 2. Within the policy territory.
- B. The policy territory is:
 1. The United States of America, its territories or possessions;
 2. Puerto Rico; or
 3. Canada.

This policy also applies to loss to, or "accidents" involving, "your covered auto" while being transported between their ports.

TERMINATION

- A. Cancellation. This policy may be canceled during the policy period as follows:
 1. The named insured shown in the Declarations may cancel by:
 - a. returning this policy to "us"; or
 - b. giving "us" advance written notice of the date cancellation is to take effect.
 2. "We" may cancel by mailing notice of cancellation to the named insured shown in the Declarations as follows:
 - a. If cancellation is for nonpayment of premium, "you" are entitled to a grace period of 7 days for the payment of any premium due except the first payment. If "you" fail to pay the premium due within this 7 day grace period, "we" will mail a notice of cancellation to "you" at least 8 days after the premium due date at "your" last address on record with "us" by first class mail. The cancellation is effective on the date the cancellation notice was mailed to "you".
 - b. If cancellation is for any reason other than nonpayment of premium, "we" will mail notice of cancellation at least 10 days prior to the effective date of cancellation. The cancellation notice will be mailed by certified mail or United States post office certificate of mailing.
 - c. The notice of cancellation will include the reason(s) for cancellation.
 - d. "We" will not cancel this policy solely because of the location of residence, age, race, color, religion, sex, national

3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, "we" may only cancel this policy for one or more of the following reasons:

- a. the named insured fails to discharge when due any of the obligations of the named insured in connection with the payment of premium for this policy or any installment of the premium;
- b. this policy was obtained through fraudulent misrepresentation;
- c. the named insured, any person who resides in the same household as the named insured and customarily operates a motor vehicle insured under the policy or any other person who regularly and frequently operates a motor vehicle insured under the policy:
 - (1) has had their driver license suspended or revoked during the policy period;
 - (2) becomes permanently disabled, either physically or mentally, and such individual does not produce a certificate from a physician or a registered nurse practitioner testifying to such person's ability to operate a motor vehicle;
 - (3) is or has been convicted during the 36 months immediately preceding the effective date of the policy or during the policy period of:
 - (a) criminal negligence resulting in death, homicide or assault and arising out of the operation of a motor vehicle;
 - (b) operating a motor vehicle while in an intoxicated condition or while under the influence of drugs;
 - (c) leaving the scene of an "accident";
 - (d) making false statements in an application for a driver license; or
 - (e) reckless driving.

However, "we" shall not cancel this policy due to the driving record of an individual other than the named insured, if the named insured agrees in writing to exclude as insured the person by name when operating a motor vehicle and further agrees to exclude coverage to the

named insured for any negligence which may be imputed by law to the named insured arising out of the maintenance, operation or use of a motor vehicle by the excluded person.

- d. the Company is placed in rehabilitation or receivership by the insurance supervisory official in its state of domicile or by a court of competent jurisdiction or the director has suspended the Company's certificate of authority based on its financially hazardous condition;
- e. the named insured, any person who resides in the same household as the named insured and customarily operates a motor vehicle insured under the policy, or any other person who regularly and frequently operates a motor vehicle insured under the policy, uses a motor vehicle rated or insured under the policy as a private passenger motor vehicle regularly and frequently for commercial purposes;
- f. the director of insurance determines that the continuation of the policy would place the Company in violation of the laws of this state or would jeopardize the Company's solvency; or
- g. the named insured, any person who resides in the same household as the named insured and who customarily operates a motor vehicle insured under the policy or any other person who regularly and frequently operates a motor vehicle insured under the policy uses a motor vehicle rated or insured under the policy to provide transportation network services unless, while the driver is logged in to the transportation network company's digital network or software application to be a driver or is providing transportation network services, the named insured either:
 - (1) Has procured an endorsement to the policy that expressly provides such coverage; or
 - (2) Is covered by a motor vehicle liability insurance policy issued by another insurer expressly providing such coverage.

B. Non-renewal.
If "we" decide not to renew or continue this policy, "we" will mail notice to the named insured shown in the Declarations at the address shown in this policy. Unless this policy is non-renewed or discontinued for non-payment of premium as provided in the Renewal Offer provision below, notice of non-renewal will be mailed at least 45 days before the end of the policy period. Notice will be mailed by certified mail, United States post office certificate of mailing or by first class mail using Intelligent

Mail barcode or other similar tracking method used or approved by the United States Postal Service.

C. Renewal Offer.

If “we” offer to continue or renew this policy and “you” do not pay the required continuation or renewal premium within 7 days after such premium is due, “we” may terminate this policy on or after the 8th day following the premium due date. Notice will be mailed to the named insured at the address shown in the policy. Termination will be effective on the earlier of:

1. The effective date of any other insurance “you” have purchased for “your covered auto”, or
2. The date the termination notice is mailed.

However, if “you” provide written notification to “us” in accordance with the Automatic Termination provision below, this provision does not apply.

D. Automatic Termination.

If “you” notify “us” in writing that “you” do not wish to renew or continue this policy, any insurance provided by this policy will automatically terminate at the end of the current policy period. In this event, “we” will mail “you” a notice of termination.

E. Other Termination Provisions

1. If the law in effect in “your” state at the time this policy is issued, renewed or continued:
 - a. requires a longer notice period;
 - b. requires a special form of, or procedure for, giving notice; or
 - c. modifies any of the stated termination reasons; “we” will comply with those requirements.
2. “We” may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
3. If this policy is canceled, “you” may be entitled to a premium refund. If so, “we” will refund “you” the pro rata unearned premium.
4. The effective date of cancellation stated in the notice shall become the end of the policy period.

TRANSFER OF YOUR INTEREST IN THIS POLICY

“Your” rights and duties under this policy may not be assigned without “our” written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:

- A. The surviving spouse, if a “resident” in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; and
- B. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative’s legal responsibility to maintain or use “your covered auto”.

TWO OR MORE AUTO POLICIES

If this policy and any other automobile insurance policy issued to “you” by “us” apply to the same “accident”, the maximum limit of “our” liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

POLICY FEE AND/OR FILING FEE

A Policy Fee and Filing Fee, if any, as set forth under the Declarations of this policy, is fully earned upon issuance of the policy and is not refundable.

ADDITIONAL PREMIUM DUE – LOSS SETTLEMENT

In the event of additional premium due to the incorrect rating of this policy, “we” shall have the right to correct the premium in accordance with “our” published rates and underwriting rules. If a loss occurs under the policy “we” shall have the option to deduct such additional premium from any loss settlement.

PERSONS EXCLUDED

All coverages, excluding Uninsured Motorists Coverage and Underinsured Motorists Coverage, and including “our” obligation to defend under the policy shall not apply, nor shall they accrue to the benefit of “you” or any third party claimant, while any “auto” is being operated by any “Persons Excluded” (listed on the Application and/or Declarations Page and/or “Named Driver Exclusion Endorsement” of this policy), regardless of where the person resides or whether the person is licensed to drive. Additionally, there is no coverage to the named insured for any negligence which may be imputed by law to the named insured arising out of the maintenance, operation of use of a motor vehicle by the excluded person.

This exclusion applies to the policy, or any continuation, renewal, or replacement of the policy by the named insured, or reinstatement within 30 days of any lapse thereof.

LOSS PAYABLE CLAUSE

Loss or damage under this policy shall be paid as interest may appear to “you” and the loss payee shown in the Declarations.

If “you” surrender possession of the covered “auto” to the loss payee or the loss payee repossesses the covered “auto”, “we” will not pay the loss payee for loss occurring after the date the loss payee or its agents takes possession of the “auto”.

“We” will not pay the loss payee more than the Repair Costs of the “covered auto”, Actual Cash Value of the “covered auto” or the existing loan balance as of the date of loss, whichever is less and minus any applicable deductible. This insurance covering the interest of the loss payee shall become invalid only because of “your” illegal or fraudulent acts or omissions. “We” will not pay for any loss caused by conversion, embezzlement, or concealment by “you” or anyone acting on “your” behalf. If “we” pay the loss payee “we” shall, to the extent of payment, be subrogated to the loss payee’s rights to recovery. If the loss is not covered under the policy, “we” are subrogated to the loss payee’s rights against “you”, up to the amount of “our” payment.

“We” reserve the right to cancel the policy as permitted by the policy terms and the cancellation shall terminate the policy and this agreement as to the loss payee’s interest. “We” will give the same notice of cancellation to the loss payee and named insured as required under the law.

LOSS PAYABLE DEDUCTIBLE PROVISION

If “we” are asked to pay the loss payee, “we” will apply a deductible shown in the Declarations for the interest of the loss payee, only not to exceed \$500 for Part D coverage for damage to “your” “auto”.

This loss payee deductible provision is extended, provided that when a loss occurs, the loss payee can show:

1. The named insured has defaulted in payment;
and
2. The loss payee has made all reasonable efforts to collect overdue payments and, failing to do so, has repossessed the vehicle shown in the Declarations; and
3. The interest of the loss payee has become impaired.

Nothing in this provision changes the amount of the deductible in the Declaration for the interest of the named insured.

MEXICO WARNING

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

In Witness Whereof, the company has caused this policy to be executed and attested by a duly authorized representative of the company.

SECRETARY



PRESIDENT

