

# GEORGIA 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, 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 the policy unless either:

1. Fraudulent;
2. Material either to the acceptance of the risk, or to the hazard assumed by us; or
3. We in good faith would either not have issued the policy, would not have issued the policy at the same premium rate, would not have issued the 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 us as required by the application for the policy or contract or otherwise.

**TO REPORT A NEW LOSS OR IF YOU  
ALREADY HAVE A CLAIM NUMBER AND  
DESIRE INFORMATION CALL  
(800) 880-0472**

**FOR UNDERWRITING INFORMATION CALL  
(800) 554-0595**

**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 Page 17 of the 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 the Company.

### YOUR PERSONAL AUTO POLICY QUICK REFERENCE

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## 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 Declarations; and
  2. The spouse; however, if the spouse ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse will be considered “you” and “your” under this policy but only until the earliest of:
    - a. the end of 90 days following the change of residency of the spouse;
    - b. the effective date of another policy listing the spouse as a named insured; or
    - c. the end of the policy period.
- 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, disability 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 domestic partner, ward or foster child.
- G. “Occupying” means in, upon, getting in, on, out or off.
- H. “Property damage” means physical injury to, destruction of, or loss of use 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 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 the Declarations, it will have the same coverage as the vehicle it replaced if it is acquired during the policy period. However, if “you” wish to add or continue coverage for physical damage to a vehicle described in J.2. a or b, “you” must ask “us” to provide coverage within 30 calendar days after “you” become the owner of the replacement vehicle and “you” must pay “us” any added premium due.
    - (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 for 30 days after the date “you” become the owner of the additional vehicle, if “you” ask “us” to insure the vehicle within 30 days, if it is acquired during the policy period, and “we” insure all vehicles in “your” household. If “you” wish “us” to provide any coverage, whatsoever, for the additional vehicle beyond 30 calendar days after “you” become the owner of the additional vehicle, “you” must ask “us” to provide such coverage within 30 days after “you” become the owner of the additional vehicle and “you” must 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, whether it replaces or is in addition to any vehicle shown in the Declarations.
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 the pickup, panel truck, or van type rated load capacity does not exceed 2,000 pounds.
- L. "Accident" means the 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 seeking damages for which coverage is provided under this policy. 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, 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":

- A. 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.
- B. Premiums on appeal bonds and bonds to release attachments in any suit "we" defend.
- C. Interest accruing on the covered portion of a judgment that has been 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.
- D. Up to \$50 a day for loss of earnings, but not other income, because of attendance at hearings or trials at "our" request.
- E. Other reasonable expenses incurred at "our" request.

### **EXCLUSIONS**

- A. "We" do not provide Liability Coverage for any person:
  1. Except to the extent required under paragraph (a)(1)(A) of Georgia Code Section 33-7-11, 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.
  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", or any "insured" and/or that person.

This exclusion A.3. 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 persons or property for a fee. This exclusion (A.5.a.) does not apply to a share-the-expense car pool; or
  - b. rented or leased to another; this exclusion (A.5.b.) does not apply if "you" or any "family member" lends "your covered auto" to another for reimbursement of operating expenses only.
6. 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".
7. 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.
8. Using a vehicle without a reasonable belief that the person is entitled to do so.
9. 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.
10. 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.
11. For "property damage" to "you", a "family member" and/or any "insured".
12. For "bodily injury" to "you", a "family member" residing in the same household as the insured, and/or any "insured", including whenever the ultimate benefits of that indemnification accrue directly to "you", a "family member" and/or any

"insured", but only to the extent that this exclusion does not conflict with the minimum coverage required by the Georgia Motor Vehicle Safety Responsibility Act.

13. For "bodily injury" or "property damage" occurring while an "insured" or that person is engaged in:
  - a. illegal activity;
  - b. eluding or fleeing arrest; or
  - c. illegal transportation or trade.
- 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. Maintenance or use of any insured vehicle while the vehicle is being used by "you" or an "insured" in any pre-arranged racing event or speed contest of any kind.

#### 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:

- A. The "bodily injury" liability limit for each person as shown in the Declarations 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.
- B. Subject to the "bodily injury" liability limit for each person, the "bodily injury" 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.
- C. 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".

- D. If this policy provides liability limits in excess of the minimum required by Georgia law for “bodily injury” of \$25,000 per person and \$50,000 per “accident”, and for “property damage” of \$25,000 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” 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.
2. Except as provided in 3. and 4. below, 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.

3. 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. storingmotor 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.
4. If the vehicle “you” do not own is a rental private passenger “auto”, the following priorities of recovery apply:
  - a. **FIRST PRIORITY** – Any source of recovery purchased as an option from the owner of the rental private passenger “auto”.
  - b. **SECOND PRIORITY** – Any policy affording Liability Coverage to the “insured” as a named insured or “family member”.
  - c. **THIRD PRIORITY** – Any policy affording Liability Coverage to the owner of the rental private passenger “auto”.
5. “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**

If the Declarations Page for this policy indicates that a premium has been paid for Medical Payments Coverage, “we” agree to provide Medical Payments Coverage subject to the following:

#### **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 3 years 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; or
  - b. rented or leased to another. This exclusion (2.b.) 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”:
  - 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. illegal 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.
- 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.

## **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**

If the Declarations Page for this policy indicates that a premium has been paid for Uninsured Motorist Coverage, “we” agree to provide Uninsured Motorist Coverage subject to the following:

## **INSURING AGREEMENT**

- A. “We” will pay compensatory damages which an “insured” is legally entitled to recover from the owner or operator of an “uninsured motor vehicle” because of “bodily injury” and “property damage”:
  1. sustained by an “insured”; and
  2. caused by an “accident”.However, with respect to coverage under Section 2. of the definition of “uninsured motor vehicle”, “we” will

pay compensatory damages only in excess of the amount available to an "insured" under any "bodily injury" and "property damage" liability bonds or policies applicable to the "uninsured motor vehicle".

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".

- B. "Insured" as used in this Part 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" or "property damage" to which this coverage applies sustained by a person described in 1. or 2. above.
- C. "Uninsured motor vehicle" means a land motor vehicle or "trailer" of any type:
1. To which there is neither:
    - a. cash or securities on file with the Georgia Director of Public Safety; nor
    - b. a liability bond or policy applicable at the time of the "accident".
  2. To which a "bodily injury" and "property damage" liability bond or policy applies at the time of the "accident" but the amount paid under that bond or policy to an "insured" is less than the limit of liability for this coverage.
  3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits or which causes an "accident" resulting in "bodily injury" or "property damage" without hitting:
    - a. "you" or any "family member";
    - b. a vehicle which "you" or any "family member" is "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 corroborated by an eyewitness to the "accident" other than the "insured" making the claim.
  4. To which a liability bond or policy applies at the time of the "accident" but the bonding or insuring company:
    - a. denies coverage; or
    - b. is or becomes insolvent.

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

1. Owned by or furnished or available for the regular use of "you" or any "family member";
2. Owned or operated by a self-insurer under any applicable motor vehicle law, except:
  - a. a self-insurer which is or becomes insolvent; or
  - b. a self-insurer which is a governmental unit or agency;
3. Operated on rails or crawler treads;
4. Designed mainly for use off public roads while not on public roads; or

5. While located for use as a residence or premises.

#### EXCLUSIONS

- A. "We" do not provide Uninsured Motorist Coverage for "bodily injury" or "property damage" sustained:
1. By an "insured" while "occupying", or when struck by, any motor vehicle owned by that "insured" which is not insured for this coverage under this policy. This includes a "trailer" of any type used with that vehicle.
  2. By any "family member" which "occupying", or when struck by any motor vehicle "you" own which is insured for this coverage on a primary basis under any other policy.

However, this exclusion applies only to the extent that the limits of liability for this coverage exceed the minimum limits of liability required by the Georgia Motor Vehicle Safety Responsibility Act.

- B. "We" do not provide Uninsured Motorist Coverage for "bodily injury" or "property damage" sustained by any "insured":
1. If that "insured" or the legal representative settles the "bodily injury" or "property damage" claim and such settlement prejudices "our" right to recover payment.  
However, this Exclusion B.1. does not apply to a settlement made with the insurer of a vehicle described in Section 2. of the definition of "uninsured motor vehicle".
  2. While "occupying" "your covered auto" when it is:
    - a. being used to carry persons or property for a fee.. This Exclusion (B.2.a) does not apply to a share-the-expense car pool; or
    - b. rented or leased to another. This exclusion (B.2.b.) does not apply if "you" or any "family member" lends "your covered auto" to another for reimbursement of operating expenses only.
  3. Using a vehicle without a reasonable belief that the "insured" is entitled to do so. This Exclusion B.3. does not apply to a "family member" using "your covered auto" which is owned by "you".
  4. 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.
  5. Occurring while an "insured" or that person is engaged in:
    - a. illegal activity;
    - b. eluding or fleeing arrest; or
    - c. illegal transportation or trade.

- C. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:
1. Workers' compensation law; or
  2. disability benefits law.
- D. "We" do not provide Uninsured Motorist Coverage for punitive or exemplary damages.

## LIMIT OF LIABILITY

A. The limit of "bodily injury" liability shown in the Declarations for each person for Uninsured Motorist Coverage is "our" maximum limit of liability for all damages, including damages for care, loss of services or death arising out of "bodily injury" sustained by any one "insured" in any one "accident". Subject to this limit for each person, the limit of "bodily injury" liability shown in the Declarations for each "accident" for Uninsured Motorist Coverage is "our" maximum limit of liability for all damages for "bodily injury" resulting from any one "accident".

The limit of "property damage" liability shown in the Declarations for each "accident" for Uninsured Motorist Coverage is "our" maximum limit of liability for all "property damage" resulting from 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. At "your" election and as shown in the Declarations, the limit of liability shall be either:

1. added to, by all sums paid because of "bodily injury" or "property damage" by or on behalf of persons or organizations who may be legally responsible, provided however, the combined recovery under all uninsured motorist coverages shall not exceed the sum of all economic and noneconomic damages sustained by an "insured"; or
2. reduced by, all sums paid because of "bodily injury" or "property damage" by or on behalf of persons or organizations who may be legally responsible, including all sums paid under Part A of this policy.

C. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part A, Part B or Part D of this policy.

D. "We" will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.

E. "We" will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:

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

## 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 which are recoverable by that "insured";

from the owner or operator of an "uninsured motor vehicle", then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.

The "insured" may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

B. Each party will:

1. pay the expenses it incurs; and
2. bear the expenses of the third arbitrator equally.

C. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. Any decision of the arbitrators will not be binding.

## PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

### INSURING AGREEMENT

A. "We" will pay for "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 the time of purchase, which is permanently installed in or on the "auto". "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 "auto". Legally liable, as used herein, shall not include liability assumed by contract.

B. "We" will pay for "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 the time of purchase, which is permanently installed in or on the "auto". "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 a "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.

"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.
2. Loss occurring to "your covered auto" while it is being rented, leased or hired for a fee.
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 to tapes, records, CD's or other devices for use with equipment designed for the reproduction of sound.
7. Loss 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. T.V. 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 exclusion 14. 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 "autos" 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 therefore.
  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 mops, 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 "auto" after custody of said "auto" has been entrusted to another party for the purpose of subleasing, leasing or selling said "auto", whether under a consignment or not. This exclusion will apply whether the theft, embezzlement or unlawful conversion of the "auto" 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 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. Loss occurring while an “insured” is engaged in:
  - a. illegal activity;
  - b. eluding or fleeing arrest; or
  - c. illegal transportation or trade.

#### **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 \$30 a day with a \$900 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 indicates that Rental Reimbursement Coverage applies to “your” policy.

#### **TOWING AND LABOR COSTS COVERAGE**

“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 that 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.

#### **LIMIT OF LIABILITY**

- A. “Our” limit of liability for loss will be the least of the:
  1. Actual cash value of the stolen or damaged property, but not to exceed \$50,000, unless specifically endorsed for a greater amount;
  2. Amount necessary to repair or replace the property, but not to exceed \$50,000 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.
- B. 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 auto” 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.
- C. Actual cash value means fair market value.

- D. “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.
- E. “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’s or entity’s interest appears. “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. 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. However, “we” will provide primary insurance if the vehicle is owned by a person, firm or corporation engaged in the “business” of selling vehicles at retail. This applies only if “you” or a “family member”:

1. Are operating the vehicle; and
2. Are neither the owner of the vehicle nor that person’s employee.

#### **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 – ROADSIDE ASSISTANCE COVERAGE**

### **INSURING AGREEMENT**

If "you" pay the premium for Roadside Assistance Coverage, "we" will pay up to the benefit amount listed for "our" authorized service representative to provide:

- A. Towing of a "covered disabled vehicle" to the nearest qualified repair facility; and
- B. Labor on a "covered disabled vehicle" at the place of disablement; which is necessary due to a "covered emergency".
- C. Benefit Amount:
  1. Plan A – Full benefits payout:
    - a. Max tow benefit per "covered disabled vehicle" is \$70.00;
    - b. Locksmith benefit is \$30.00;
    - c. Emergency Road Service is \$40.00.
  2. Plan B – Modified Benefits payout:
    - a. Max tow benefit per "covered disabled vehicle" is \$50.00;
    - b. Emergency Road Service is \$35.00.
- D. "Covered disabled vehicle" means a disabled "covered auto" per "occurrence".
- E. "Occurrence" means a single type of mechanical breakdown.
- F. "Covered emergency" means a disablement that is a result of:
  1. A mechanical or electrical breakdown;
  2. Battery failure;
  3. Insufficient supply of fuel, oil, water or other fluid;
  4. Flat tire;
  5. Lock-out; or
  6. Entrapment in snow, mud, or water and within 50 feet of a road or highway.

### **EXCLUSIONS**

Coverage under this Part E. does not apply to:

- A. Parts, replacement keys, fluid, lubricants or fuel;
- B. Installation of products or material not related to the disablement;
- C. Labor not related to the disablement;
- D. Labor on a "covered disabled vehicle" for any time period in excess of 60 minutes per disablement;
- E. Towing or storage related to impoundment, abandonment, illegal parking or other violations of law;
- F. Assistance with jacks, levelers, airbags or awnings;
- G. Towing from a service station, garage or repair shop;
- H. Labor or repair work performed at a service station, garage or repair shop;
- I. Vehicle storage charges;
- J. A second tow for a single disablement;

- K. Disablement that occurs on roads not regularly maintained, including sand, beaches, open fields and areas designated as not passable due to construction;
- L. Mounting or removing of snow tires or chains;
- M. Tire repair;
- N. Repeated service calls for a "covered disabled vehicle" in need of routine maintenance or repair;
- O. Disablement that results from a willful act or action by the operator of a "covered disabled vehicle";
- P. For a second and subsequent "occurrence";
- Q. Disablement that is not the result of a "covered emergency";
- R. Disablement that results from the use of intoxicants or narcotics; or
- S. A "trailer".

### **SERVICE PROVIDER**

"We" will only pay reasonable charges, as determined by "us", for:

- A. Towing of a "covered disabled vehicle" to the nearest repair facility; and
- B. Labor on a "covered disabled vehicle" at the place of disablement which is necessary due to a "covered emergency".

### **CLAIMS**

Report all roadside assistance claims within seven days. "We" require original customer copy of any invoices (not a photocopy) from a licensed commercial tow/repair facility and a police report if in an "accident". The tow bill must be in the covered person's name, must clearly show the car serviced (including VIN), the reason towed and the miles towed, as well as the time and date of services rendered. Failure to produce such documentation will lead to denial of claim. All claims are paid on a reimbursement basis.

## **PART F – 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. The requirement for giving notice of a claim, if not satisfied by the "insured" within 30 days of the date of the "accident", may be satisfied by an injured third party who, as the result of such "accident", has a claim against the "insured". However, notice of a claim given by an injured third party to "us" shall be accomplished by mail.
- B. A person seeking any coverage 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 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 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”.
  - 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 to transport it from the place of loss to a repair storage facility. “We” will pay storage charges of no more than \$25 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 of 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 G – 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; 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.

### **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 or upon 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 date the loss became due and payable.
- D. No legal action may be brought against “us” under, upon or resulting from the actions of the

Company, with regard to the Uninsured Motorist 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 6 years after the date the loss became due and payable.

#### **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. That person shall do:

- A. whatever is necessary to enable "us" to exercise "our" rights; and
  - B. nothing after loss to prejudice them.
- However, "our" rights in paragraphs A. and B. do not apply under Part D, against any person using "your covered auto" with a reasonable belief that a person is entitled to do so.
- C. This provision does not apply to:
    1. **PART B – MEDICAL PAYMENTS COVERAGE**; or
    2. coverage under Section 2. Of the definition of "uninsured motor vehicle".

#### **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 ports.

#### **TERMINATION**

##### **A. Cancellation**

This policy may be cancelled 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" or "our" authorized agent advance written notice of the date of cancellation is to take effect.

If only "your" interest is affected, the effective date of the cancellation shall be either the date "we" receive "your" notice or the date specified in the notice, whichever is later.

If, by statute, regulation or contract, the policy may not be cancelled unless notice is given to a government agency, mortgagee or third party, "we" will mail or deliver at least 10 days notice to "you" and any third party as soon as practicable after

receiving "your" request for cancellation. "Our" notice will state the effective date of the cancellation which shall be the later of the following:

- a. ten days from the date of mailing or delivery of our notice; or
  - b. the effective date of cancellation stated in "your" notice to "us".
2. "We" may cancel by mailing by first class mail or certified mail to the named insured shown in the Declarations at the address last known by "us":
    - a. At least 10 days notice:
      - (1) If cancellation is for nonpayment of premium; or
      - (2) If notice is mailed during the first 59 days this policy is in effect and this is not a renewal or continuation policy; or
    - b. At least 30 days notice in all other cases.
  3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, "we" will cancel only for any of the following reasons:
    - a. nonpayment of premium;
    - b. the policy was obtained through a material misrepresentation;
    - c. any "insured" violated any of the terms and conditions of the policy;
    - d. the named insured's failure to disclose fully, if required by the application, his record of motor vehicle accidents and traffic violations for the preceding 36 months;
    - e. the named insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such claim;
    - f. "your" driver's license or that of:
      - (1) any driver who lives with "you"; or
      - (2) any driver who customarily uses "your covered auto";has been suspended or revoked. This must have occurred within the 36 months prior to notice of cancellation.
    - g. a physical, mental or other condition which is such that the operation of the vehicle by "you", any driver who lives with "you" or any driver who customarily uses "your covered auto" might endanger public safety.
    - h. conviction of a crime by any "insured"; or
    - i. "your covered auto" is:
      - (1) mechanically defective so that its operation might endanger public safety;
      - (2) used to transport flammables or explosives;
      - (3) an authorized emergency vehicle; or
      - (4) has changed in shape or condition during the policy period so as to increase substantially the risk.
- 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 last known by “us”. Notice will be mailed by first class mail or certified mail at least 30 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Less than 6 months, “we” will have the right not to renew or continue this policy every 6 months, beginning 6 months after its original effective date.
2. 6 months or longer, but less than one year, “we” will have the right not to renew or continue this policy at the end of the policy period.
3. 1 year or longer, “we” will have the right not to renew or continue this policy at each anniversary of its original effective date.

C. Automatic Termination

If “we” offer to renew or continue and “you” or “your” representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that “you” have not accepted “our” offer and the policy ends without renewal or notice. If “you” obtain other insurance on “your covered auto”, any similar insurance provided by this policy will terminate as to that “auto” on the effective date of the other insurance.

D. Other Termination Provisions

1. “We” may personally deliver any notice instead of mailing it by first class mail. A receipt provided by, or such other evidence of mailing as prescribed or accepted by the U.S. Postal Service shall be sufficient proof of notice.
2. If “we” decide to cancel or non-renew this policy, such notice of cancellation or non-renewal will:
  - a. state the reason for “our” decision; and
  - b. advise the named insured of his possible eligibility for insurance through the Georgia Insurance Plan pursuant to Georgia Code §33-24-45.(i).
3. If this policy is cancelled, “you” may be entitled to a premium refund. If so, “we” will send “you” the refund either with notice of cancellation or on or before the cancellation effective date. This premium refund, if any, will be computed according to “our” manuals. If “we” cancel, refunds are computed pro-rata. If “you” cancel, refunds are computed pro-rata with consideration for a minimum earned premium. However, making or offering to make the refund is not a condition of cancellation.
4. The effective date of cancellation stated in the notice shall become the end of the policy period.
5. If “we” cancel or non-renew this policy, “we” will give the same notice of cancellation or notice of non-renewal to the loss payee or third party stated in the policy as “we” give the named insured shown in the Declarations.

### **TRANSFER OF YOUR INTEREST IN THIS POLICY**

“Your” rights and duties under this policy may not be assigned without “our” written consent. However, upon the termination of the marital relationship or death of a named insured shown in the Declarations, coverage will be provided for 90 days following such termination of marital relationship or death or until the expiration of this policy, whichever is shorter, for:

- A. The surviving spouse or domestic partner, 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 “auto” insurance 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. This is the most “we” will pay regardless of the number of:

1. “insureds”;
2. claims made;
3. vehicles or premium shown in the Declarations; or
4. vehicles involved in the “accident”.

### **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, including Uninsured Motorist 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 as either listed on the Application and/or Declarations Page and/or on the “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 or 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 "your covered auto" to the loss payee or the loss payee repossesses "your covered auto", "we" will not pay the loss payee for loss occurring after the date the loss payee or its agents takes possession of "your covered auto".

"We" will not pay the loss payee more than the Repair Costs of "your covered auto", Actual Cash Value of "your 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 covered 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 Declarations for interest of the named insured.

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This endorsement applies only if form number CN-207 appears on the Declaration page.

For purposes of this endorsement only the following policy provisions are amended.

#### **DEFINITIONS**

- A. Throughout this policy, "you" and "your" means only the person shown as the named insured on the Declarations Page.
- J. "Your covered auto" means:
1. An "auto" not owned by "you", "your" spouse or members of the household in which "you" reside which "you" are using with the permission of the owner.
  2. Any "auto" of which "you" acquire ownership during the policy period. For coverage to apply under Part A Liability coverage, "you" must, however, notify "us" within 30 days of its acquisition. Physical Damage coverage will apply to the newly acquired "auto" only if "you" ask "us" to provide such coverage and "we" agree to do so. "You" must pay any additional premium charges for coverage for the newly acquired "auto".

#### **PART A – LIABILITY COVERAGE**

##### **INSURING AGREEMENT**

This section of "your" policy is amended as follows: "We" will pay damages for which "you" are legally liable because of "bodily injury" and/or "property damage" caused by an "accident" arising out of the use of "your covered auto." "We" will settle any claim or defend any lawsuit which is payable under the policy. "We" have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy. "Our" duty to settle or defend ends when "our" limit of liability for this coverage has been paid.

##### **DEFINITIONS**

As used in this Part, "insured" means "you" while "you" are using "your covered auto" with the permission of the owner.

##### **EXCLUSIONS**

Exclusion A.6. is amended as follows:

6. While employed or otherwise engaged in the "business" of:
  - a. selling;
  - b. repairing;
  - c. parking; or
  - d. storingvehicles designed for use mainly on public highways. This includes road testing and delivery.

Exclusion A.7. is amended as follows:

7. "Bodily injury" or "property damage" resulting from the maintenance or use of "your covered auto" in the course of any "business". For purposes of this endorsement "business" includes, but is not limited to, delivery for a charge or fee of newspapers, magazines, or any food.



Exclusion B.2. is amended as follows:

2. Any vehicle other than "your covered auto."

**OTHER INSURANCE** is replaced in its entirety with the following: This coverage is excess over any other applicable insurance or bond.

**PART B – MEDICAL PAYMENTS COVERAGE**

This coverage applies only if a premium is shown for Medical Payments Coverage on the Declarations Page.

**EXCLUSIONS**

Exclusion 5 is amended as follows:

5. Sustained while "occupying" or when struck by any vehicle which is owned by "you", "your" spouse or members of the household in which "you" reside.

Exclusion 8 is amended as follows:

8. Sustained while "occupying" a vehicle when it is being used in the "business" of an "insured."

**OTHER INSURANCE** is replaced in its entirety with the following: This coverage is excess over any other applicable insurance or bond.

**DEFINITIONS**

For purposes of this endorsement only the following definitions are amended.

As used in this Part, "insured" means:

"You" while "occupying", or when struck by, a car or "trailer".

**PART C – UNINSURED MOTORIST COVERAGE**

It is agreed that the Uninsured Motorist Coverage is amended as follows:

This coverage applies only if a premium is shown for Uninsured Motorist Coverage – Bodily Injury or Property Damage coverage on the Declarations Page.

**INSURING AGREEMENT**

This section of "your" policy is amended as follows:

- A. "We" will pay damages for "bodily injury", which "you" are legally entitled to recover from the owner or operator of an "uninsured motor vehicle". The "bodily injury" or "property damage" must be caused by an "accident" and result from the ownership, maintenance or use of an "uninsured motor vehicle".

Named Non-Owner Endorsement CN-207 (1/01)

that the insurance coverage afforded by this policy under PART A – LIABILITY COVERAGE shall not apply to payment of any punitive or exemplary damages arising from any accident or claim.

**GA-E-01 (10/2020)**

**MEXICO WARNING**

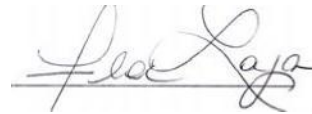
Unless "you" have "auto" insurance written by a Mexican insurance company, "you" may spend many hours or days in jail, if "you" have an "accident" in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write insurance in order to avoid complications and some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

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

Secretary



President



**THE FOLLOWING PUNITIVE AND EXEMPLARY DAMAGE EXCLUSION APPLIES ONLY IF FORM NUMBER GA-E-01 APPEARS ON YOUR DECLARATIONS PAGE.**

**PUNITIVE AND EXEMPLARY DAMAGE EXCLUSION**

In consideration of a reduced premium for your Georgia Personal Auto Policy, the Insured accepts the Punitive and Exemplary Damage Exclusion. It is understood and agreed LIC-GA-84-0006 (10/2020)