

OHIO 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.

By acceptance of this policy, you agree all statements and descriptions in the application for this policy or in negotiations therefore, by or on behalf of the insured, are your representations, that this policy was issued in reliance upon the truth of those representations, that the application forms a part of this policy and that this policy contains all of the agreements between "you" and "us". We do not provide coverage for any "insured" who has made false or fraudulent statements or engaged in fraudulent conduct in connection with the application for this policy or in connection with any accident or loss for which coverage is sought under this policy.

Unless drivers residing with the named insured are named in the Declarations, coverage may not be afforded. If you desire coverage for drivers other than those shown, request your producer to have your policy amended to list the additional drivers.

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 26 of the policy.

Loya Insurance Company
Ohio 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

DECLARATIONS PAGE

Your Name and Address
Your Auto or Trailer
Policy Period
Coverages and Amounts of Insurance

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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 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 harm, sickness or disease, including death resulting from injury, including death that results.
- 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, 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.

It does not include:

1. a mobile home,
 2. a trailer used as an office, store, display or passenger conveyance, or
 3. a cement mixer.
- 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 vehicle's rated load capacity does not exceed 2000 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. "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. Damages include pre-judgment interest and court costs awarded against the insured, but do not include any award of attorney's fees. "We" will settle or defend, as "we" consider appropriate, any claim or 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 damages covered by this policy. "Our" duty to settle or defend ends when "our" limit of liability for this coverage has been exhausted by payment settlement or judgment. "We" have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.
- B. "Insured" as used in this Part means:
1. "You" or any "family member" for the ownership, maintenance or use of any motor vehicle or trailer; or
 2. Any person using "your covered auto" with "your" express or implied permission but only if such person is not insured or covered by another vehicle liability insurance policy, self-insurance liability program or liability bond while using "your covered auto."
- 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. Premiums on appeal bonds and bonds to release attachments in any suit "we" defend.
- B. Interest accruing after a judgment is entered in any suit "we" defend. "Our" duty to pay interest ends when "we" offer to pay that part of the judgment which does not exceed "our" limit of liability for this coverage.
- C. Other reasonable expenses incurred at "our" request.

EXCLUSIONS

- A. "We" do not provide Liability Coverage for any "insured":
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".
 2. For damage to property owned by, or being transported by an "insured".

3. For damage to property:
 - a . rented to;
 - b . used by; or
 - c . in the care, custody or control of that "insured."
4. For "bodily injury" to an employee or fellow employee of an "insured" during the course of employment. 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 being used to carry persons or property for a fee. This exclusion A.5. does not apply to a share-the-expense car pool.
6. While employed or otherwise engaged in the "business" of:
 - a. selling;
 - b. repairing;
 - c. servicing;
 - d. storing; or
 - e. parking
 vehicles designed for use mainly on public highways. This includes road testing and delivery.
7. For "bodily injury" and/or "property damage" arising out of the ownership, maintenance or use of any "auto" or "trailer" 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 "insured":
 - 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 property owned by "you", a "family member" and/or any "insured" other than your covered auto.
12. For exemplary or punitive damages arising out of any loss otherwise covered under this policy.
13. Any liability assumed under any contract or bailment.
14. "Bodily injury" or "property damage" due to war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation, or contamination or any consequence of those.
15. Any obligation for which the United States government is liable under the Federal Tort Claims Act.

16. "Bodily injury" or "property damage" caused by the dumping, discharge or escape of any irritants, pollutants, or contaminants other than fluids necessary for the operation of "your covered auto".
 17. "Bodily injury" or "property damage" caused by explosives or fireworks, other than the fluids necessary for the operation of "your covered auto".
 18. "Bodily injury" or "property damage" caused by:
 - a. a "family member",
 - b. resident of your household, or
 - c. person who operates "your covered auto" on a regular basis unless that person is listed as a driver or resident on the application or endorsed onto the policy during the policy term but before the loss.
 19. "Bodily injury" or "property damage" resulting from the discharge of any firearm or weapon used in connection with any auto.
 20. "Bodily injury" or "property damage" caused by, or reasonably expected to result from, a criminal act or omission of that "insured." This exclusion applies regardless of whether that "insured" is actually charged with or convicted of a crime.
- 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 racing event or speed contest of any kind, stunt driving or demolition contest.

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".

- D. If this policy provides liability limits in excess of the minimum required by Ohio 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 if applicable to non-residents.
 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 or bond, "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 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 or bond.

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.

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 1 year from the date of the "accident".
- B. "Insured" as used in this Part means:
1. "You" or any "family member":
 - a. while "occupying"; 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" with the permission of an "insured" as defined in this Part.

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 being used to carry persons or property for a fee. This exclusion (2.) does not apply to a share the expense car pool.
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" or any "family member's" regular use.
6. Sustained while "occupying" a vehicle without a reasonable belief that a person is entitled to do so.
7. Arising out of the use of any vehicle in the operation of a "business" for the purpose of delivering property from the "business" to the consumer. By way of example, and not limitation, "we" do not cover food delivery, flower delivery, or document delivery.
8. 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.
9. From, or as a consequence of, the following, whether controlled or uncontrolled or however caused:
 - a. nuclear reaction;
 - b. radiation; or
 - c. radioactive contamination

10. Sustained while "occupying" a vehicle without a reasonable belief that the "insured" is entitled to do so.
11. Sustained while "occupying" any vehicle while in a racing event, speed contest, stunt driving or demolition contest.
12. Sustained as the result of the discharge of any firearm or use of any weapon used in connection with any auto.
13. Sustained as the result of explosives or fireworks, other than the fluids necessary for the operation of "your covered auto".
14. Sustained as a result of a criminal act or omission of that "insured" regardless of whether that "insured" is actually charged with or convicted of a crime.
15. Sustained as a result of an "insured's" "occupying" or being struck by a vehicle not designed for use mainly on public roads.

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 with respect to 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, or both Uninsured and Underinsured Motorist Coverage "we" agree to provide such applicable coverage subject to the following:

INSURING AGREEMENT

A. UNINSURED MOTORIST COVERAGE

"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/or "property damage":

1. Sustained by an "insured"; and
2. 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".

B. UNDERINSURED MOTORIST COVERAGE

We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "underinsured motor vehicle" because of "bodily injury":

1. Sustained by an "insured; and
2. 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". "We" will pay damages under this coverage caused by an "accident" with an "underinsured motor vehicle" only if 1. or 2. below applies:

1. The limits of liability under any bodily injury liability bonds or policies applicable to the "underinsured motor vehicle" have been exhausted by payment of judgments or settlements; or
2. A tentative settlement has been made between an "insured" and the insurer of the "underinsured motor vehicle" and "we":
 - a. have been given prompt written notice of such tentative settlement; and
 - b. advance payment to the "insured" in an amount equal to the tentative settlement within a reasonable time no less than 30 days after receipt of notification.

C. "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.

D. "Property damage" as used in this Part means injury to or destruction of "your covered auto". However, "property damage" does not include:

1. Loss of use of "your covered auto"; or
2. Damage to personal property contained in "your covered auto".

E. "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 its limit for "bodily injury" liability is either:

1. Less than the limit of liability for this coverage; or
2. Reduced by payments to others injured in the "accident" to an amount which is less than the limit of liability for this coverage.

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 Ohio.
2. Owned by or furnished or available for the regular use of "you" or any "family member".
3. Owned by any governmental unit or agency.
4. Operated on rails or crawler treads.
5. Designed mainly for use off public roads while not upon public roads.
6. While located for use as a residence or premises.
7. Owned or operated by a person qualifying as a self-insurer under any applicable motor vehicle law.
8. To which a "bodily injury" 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.

F. "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" and "property damage" liability bond or policy applies at the time of the "accident". In this case its limit for "bodily injury" or "property damage" liability under that bond or policy is less than the minimum limit of liability for "bodily injury" or "property damage" liability specified by the financial responsibility law of Ohio.
3. Which, with respect to damages for "bodily injury" only, 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" without hitting:
 - a. "you" or any "family member";
 - b. a vehicle which "you" or any "family member" is "occupying"; or
 - c. "your covered auto".

The facts of the "accident" must be proved. "We" will only accept independent corroborative evidence other than the testimony of an "insured" making the claim for "bodily injury" under this coverage, unless such testimony is supported by additional evidence.
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 self-insurer which is or becomes insolvent.
3. Operated on rails or crawler treads.
4. Designed mainly for use off public roads while not on public roads.
5. While located for use as a residence or premises.
6. With respect to "property damages" only, owned by any

governmental unit or agency.

7. With respect to "bodily injury" damages only, owned by any governmental unit or agency, unless the owner or operator of the "uninsured motor vehicle" has:
 - a. an immunity under the Ohio Political Subdivision Tort Liability Law; or
 - b. a diplomatic immunity.

EXCLUSIONS

"We" do not provide:

- A. Uninsured Motorist Coverage or Underinsured Motorist Coverage:
 1. Sustained by an "insured":
 - a. while "occupying" "your covered auto" when it is being used as a public or livery conveyance. This Exclusion A. 1. a. does not apply to a share-the-expense car pool.
 - b. using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion A. 1. b. does not apply to a "family member" using "your covered auto" which is owned by "you".
 2. For punitive or exemplary damages.

This coverage shall not apply directly or indirectly to benefit:

1. any insurer or self-insurer under any of the following or similar law:
 - a. workers' compensation law; or
 - b. disability benefits law.
 2. any insurer of property.
- B. Underinsured Motorist Coverage if the "insured" or the legal representative settles the "bodily injury" or "property damage" claim and such settlement prejudices "our" right to recover payment.
 - C. Uninsured Motorist Coverage or Underinsured Motorist Coverage for "bodily injury" 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" while "occupying", or when struck by any motor vehicle "you" own which is insured for this coverage on a primary basis under any other policy.
 - D. Uninsured Motorist Coverage for "property damage":
 1. For the first \$250 of the amount of "property damage" to each of "your covered autos" as the result of any one "accident".
 2. To any motor vehicle owned by "you" for which "you" have purchased Collision Coverage under this policy or any other policy.
 3. If the owner or operator of the "uninsured motor vehicle" cannot be identified.

LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for:
1. Uninsured Motorist Bodily Injury 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".
 2. Uninsured Motorist Property Damage Coverage is "our" maximum limit of liability for all damages resulting from any one "accident". "Our" maximum limit of "property damage" liability resulting from any one "accident" will be the lesser of:
 - a. The limit of "property damage" liability shown in the Declarations; or
 - b. The actual cash value of "your covered auto".An adjustment for depreciation and physical condition will be made in determining the actual cash value at the time of the loss.
 3. Underinsured Motorist Bodily Injury 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 Underinsured Motorist Coverage is "our" maximum limit of liability for all damages for "bodily injury" resulting from any one "accident".

The limit of liability shall be reduced by all sums paid because of "bodily injury" by or on behalf of persons or organizations that may be legally responsible including all sums paid under Part A of this policy.
- B. 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".
- C. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and any other coverage Part 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.

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. A decision agreed to by at least two of the arbitrators will be binding as to:
 1. Whether the "insured" is legally entitled to recover damages; and
 2. The amount of damages.

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 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 "auto". Legally liable, as used herein, shall not include liability assumed by contract.

B. "We" will pay for "Comprehensive" only if the Declarations indicate that "Comprehensive" 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 "Comprehensive":

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 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;
- f . road damage to tires; or
- g . improper repair.

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 . 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 (includes smartphones);
 - d . scanning monitor receiver;
 - e . MP3 players or similar devices;
 - f . Computers or tablets;
 - g . GPS devices;
 - h . Clothing, jewelry or money;
 - i . Food or groceries; or
 - j . Pets or animals.
- 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, laser or other speed detection devices.
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 racing or speed contest or in practice or preparation for any such contest, stunt driving or demolition 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 or other mechanical breakdown or failure.
- 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.
- 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.

RENTAL REIMBURSEMENT COVERAGE

If the Declarations indicate that Rental Reimbursement Coverage applies to "your" policy "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 \$30.00 a day with a \$900.00 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.

TOWING AND LABOR COSTS COVERAGE

"We" will pay reasonable 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, of like kind and quality, 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 the stolen or damaged property but not to exceed \$50,000, unless specifically endorsed for a greater amount 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.

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 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 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".
 6. Attend hearings and trials as we require.
- C. A person seeking Uninsured Motorist Coverage 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 legal papers 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" 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 Underinsured Motorist Coverage must also:
1. Promptly send "us" copies of the legal papers if a suit is brought; and
 2. Notify "us" in writing of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle"; and
 3. Allow "us" a reasonable time no less than 30 days to advance payment to that "insured" in an amount equal to the tentative settlement to preserve "our" rights against the insurer, owner or operator of such "underinsured motor vehicle".
- E. 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 reasonable charges 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 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

By acceptance of this policy, you agree all statements and descriptions in the application for this policy or in negotiations therefore, by or on behalf of the insured, are your representations, that this policy was issued in reliance upon the truth of those representations, that the application forms a part of this policy and that this policy contains all of the agreements between "you" and "us." We do not provide coverage for any "insured" who has made false or fraudulent statements or engaged in fraudulent conduct in connection with the application for this policy or in connection with any accident or loss for which coverage is sought under this policy.

We do not provide coverage for any "insured" who has made false or fraudulent statements or engaged in fraudulent conduct in connection with the application for this policy or in connection with any "accident" or loss for which coverage is sought under this policy.

LEGAL ACTION AGAINST "US"

- A. No legal action may be brought against "us" until there has been full compliance with all the terms and conditions of this policy. In addition, under Part A, no legal action may be brought against "us" until:
 - 1. "We" agree in writing that the "insured" has an obligation to pay; or
 - 2. The amount of that obligation has been finally determined by judgment after trial.
- 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. 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 or Underinsured 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:
 - 1. 3 years after the date of the "accident" causing the "bodily injury"; or
 - 2. 1 year after the insurance company for the "uninsured motor vehicle" has become insolvent, whichever is later.

“OUR” RIGHT TO RECOVER PAYMENT

- A. 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:
1. Whatever is necessary to enable "us" to exercise "our" rights; and
 2. Nothing after loss to prejudice them.
- B. The "Our Right To Recover Payment" Provision does not apply:
1. Under Part D, against any person using "your covered auto" with a reasonable belief that that person is entitled to do so.
 2. Under Underinsured Motorist Coverage if "we":
 - a. have been given prompt notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and certification of the liability coverage limits of the owner or operator of an "underinsured motor vehicle"; and
 - b. "we" elect to consent to settlement and not advance payment to the "insured" in an amount equal to the tentative settlement within a reasonable time, no less than 30 days after receipt of notification.
- However, if "we" advance payment to the "insured" in an amount equal to the tentative settlement within a reasonable time, no less than 30 days after receipt of notification:
- a. that payment will be separate from any amount the "insured" is entitled to recover under the provisions of Underinsured Motorists Coverage; and
 - b. "we" also have a right to recover the advanced payment.

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 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 cancellation is to take effect.
 2. "We" may cancel by mailing to the named "insured" 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 90 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 90 days, or if this is a renewal or continuation policy, "we" will cancel only for one or more of the following reasons:
- a. nonpayment of premium;
 - b. misrepresentation by "you" of any material fact in the procurement or renewal of this insurance or in submitting a claim under this insurance;
 - c. "your" driver's license has been suspended or revoked. This must have occurred:
 - (1) during the policy period; or
 - (2) since the second anniversary of the original effective date.
 However, in the event that the driver's license of:
 - (1) any driver who lives with "you"; or
 - (2) any driver who customarily uses "your covered auto";
 has been suspended or revoked, "we" may issue an endorsement providing that coverage will not be afforded to that named person.
 - d. The state of "your" residence or the state in which "your covered auto" is registered or licensed is changed to a state in which "we" are not authorized to issue this insurance.

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 at least 30 days before the end of the policy period. Subject to this notice requirement, if the policy period is other than one year, or written without a fixed expiration date, "we" will have the right not to renew or continue it only at each anniversary of its original effective date.

C. Automatic Termination

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 deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
If "we" decide to cancel or nonrenew this policy, such notice of cancellation or nonrenewal will state the reason for "our" decision.
- 2. 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 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. 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 "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

We established the premium for this policy based upon the representations you made in the application for insurance. We have the right to re-compute the premium if we later obtain information that affects the premium development.

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 "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 "Persons Excluded 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 "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 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 \$200 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 Declaration for the interest of the named "insured".

NOTIFICATION OF INFORMATION PRACTICE — "YOUR" PRIVACY

When "you" applied for insurance, "you" entrusted "us" with some personal information about yourself. Like "you", "we" are concerned with "your" privacy and its protection. Therefore, "we" want "you" to know about "our" procedures for protecting "your" privacy, and "our" rights and responsibilities regarding recorded information about "you". As "our" customer, "we" want "you" to understand how "we" gather information, how "we" protect it, and how "you" can help insure its accuracy.

WHAT KIND OF INFORMATION IS COLLECTED ABOUT "YOU"

1. "Your" application for insurance contained personal information which "you" supplied. Personal information may be collected from persons other than the individual or individuals proposed for coverage. On some occasions it becomes necessary for "us" to obtain additional information, such as motor vehicle driving records from the Department of Motor Vehicles, and information from an independent source to verify and add to information given in "your" application. The independent sources are commonly called Consumer Reporting Agencies.
2. "You" have a right to access the information "we" have collected about "you", and "you" have the further right to correction with

respect to all personal information contained in "our" files.

3. Since, like "you", "we" are concerned with protection of "your" privacy, the information collected about "you" is kept confidential. However, personal information and other privileged information collected by "us" or "our" agents may, in certain circumstances, be disclosed to certain third parties, such as reinsuring companies and insurance claims adjusters needed to service "your" insurance account. This may be done without "your" authorization, as permitted or required by law.
4. A detailed notice of information practices shall be provided to "you" by the Company upon "your" request.

“YOUR” PRIVACY IS OUR CONCERN

"We" gather information about "our" customers only in the interest of providing them with quality services at fair prices. "We" are committed to the careful handling of personal information. If, after reading this notice, "you" have any questions about what's in "your" files, contact "us".

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

