

## **Balboa Insurance Company**

### **CALIFORNIA AUTO POLICY**

**NOTICE** regarding limits of future coverage:

The specified reasons for which **we** may cancel this policy can be found in the GENERAL PROVISIONS APPLICABLE TO ALL COVERAGE in the Cancellation clause. The specified reasons for which **we** may refuse to renew this policy can be found in the GENERAL PROVISIONS APPLICABLE TO ALL COVERAGE in the Nonrenewal clause.

The specified reasons for which **we** may increase the premium can be found in the GENERAL PROVISIONS APPLICABLE TO ALL COVERAGE in the Policy Changes clause.

**WARNING** - Unless you have automobile 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 such insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your automobile.

This policy does not extend liability coverage into Mexico.

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## **AUTO POLICY**

This policy is a contract between the named insured shown on the **declarations page** and **us**. This contract, the **declarations page**, **your** Application and any endorsements that apply to this contract contain all of the agreements between **you** and **us**. If **you** pay the required premium on time, **we** will provide the insurance described in this contract.

## **YOUR DUTIES**

### **WHAT YOU MUST DO IN CASE OF AN ACCIDENT OR LOSS**

Coverage will not apply unless **you** have paid the required premium when due and there is full compliance with the duties stated in this policy.

#### **Notify Us As Soon As Practicable**

If a person or **auto** insured by this policy is involved in an **accident** or **loss** for which this insurance may apply, report it to **us** within 24 hours or as soon as practicable, but no later than 20 days after the **accident** or **loss**, by calling **us** at (800) 945-7461.

For coverage to apply under this policy, **you** or an insured person must promptly report to us each **accident** or **loss** even if an insured person is not at fault.

**You** must provide **us** with the following **accident** or **loss** information as soon as it is available:

- The date, time and place of the **accident** or **loss**;
- All facts and circumstances, including the driving conditions, who was involved, and all injury, damage and witness information;
- Names and addresses of all persons involved;
- Names and addresses of any injured persons and witnesses; and
- The license plate numbers of the vehicles involved.

**You** or someone on **your** behalf must also notify the police or civil authority within 24 hours if:

- The owner or operator of an auto involved in the **accident** is unknown; or
- Theft or vandalism has occurred.

A person claiming coverage must:

- Cooperate with **us** in the investigation, settlement, and defense of any claim or lawsuit and provide **us** with information or documentation **we** need to pay benefits.
- Provide any written proof of **loss** and **bodily injury we** may reasonably require.
- Submit to medical exams and tests at **our** expense by physicians **we** select as often as **we** reasonably require.
- Allow **us** or anyone **we** appoint to take signed and recorded statements, including sworn statements and examinations under oath, and answer all questions **we** reasonably ask, as often as **we** may reasonably require and sign the answers.
- Provide **us** with all photographs and documents the person has related to the:
  1. **Loss**;
  2. **Accident**;
  3. Damages;
  4. **Bodily injuries**; or
  5. Any issue regarding the applicability of this policy to the **loss** or **accident**.
- Promptly send **us** any summons and complaint as well as any and all other legal papers and notices relating to any claim or lawsuit when received.
- Attend hearings and trials as **we** require.

- Take reasonable steps after a **loss** to protect the **covered auto**, **non-owned auto**, or **trailer** from further **loss**, not to exceed \$500 unless **we** consent to any higher limit prior to the expense being incurred by **you**.
- Allow **us** to inspect, photograph and appraise any damaged **auto** and/or **trailer** before any repair or disposal.
- Authorize **us** to move the damaged **auto** and/or **trailer** to a storage facility of **our** choice at **our** expense.
- Provide **us** with signed authorizations to obtain:
  - Medical and other health care records.
  - Business and Personal records, including records of pertinent personal information.
  - Accident and claim records.
  - Employment records, including earnings and wage loss information.
  - All other records **we** reasonably request.
- Authorize **us** to obtain any information on any device installed in a **covered auto** if the device records information that **we** determine to be relevant to the facts of the **accident** or **loss** unless prohibited by law.
- Promptly notify **us** of all information pertaining to any other policy of insurance and self-insurance that may apply to a driver, vehicle, trailer, person or property involved in the **accident** or **loss**.
- Assume no obligation, make no payment, and incur no expense with respect to any **bodily injury**, **property damage** or **loss** without **our** consent, except at that person's own cost without any obligation upon **us**.
- Convey title to and possession to **us** of any damaged, destroyed, or stolen **auto** or other property if **we** pay, subject to any deductible, the actual cash value or the cost to replace it.

## **GENERAL DEFINITIONS**

These terms, and their plural and possessive forms, will have the following meaning throughout the policy when shown in **bold** typeface unless otherwise noted.

- A. **"Accident"** means a sudden, unexpected, and unintended occurrence.
- B. **"Auto"** means a four-wheel land motor vehicle of the private passenger car, van, pick-up truck or jeep-type that:
1. Is designed for operation principally upon public roads; and
  2. Has a gross vehicle weight (as determined by the manufacturer's specifications) of 10,000 pounds or less.
- "Auto"** does not include step-vans, parcel delivery vans, or cargo cutaway vans or other vans with cabs separate from the cargo area.
- C. **"Bodily injury"** means bodily harm, sickness, or disease, including death that results from bodily harm, sickness, or disease.
- D. **"Business"** means a trade, profession, or occupation, whether engaged in full-time or part-time.
- E. **"Covered auto"** means:
1. Any **auto** shown and described on the **declarations page**, unless **you** have asked **us** to delete that **auto** from the policy;
  2. Any additional **auto** on the date **you** become the **owner** if:
    - (a) **You** acquire the **auto** during the policy period shown on the **declarations page**;
    - (b) **We** insure all **autos** then **owned** by **you**; and
    - (c) No other insurance policy provides coverage for that **auto**.

If **we** provide coverage for an **auto** **you** acquire in addition to any **auto** shown on the **declarations page**, **we** will provide the broadest coverage **we** provide for any **auto** shown on the **declarations page**. **We** will provide that coverage for a period of 30 days after **you** become the **owner**. **We** will not provide coverage after this 30-day period, unless within this period **you** ask **us** to insure the additional **auto** and **we** agree to insure it; and
  3. Any replacement **auto** on the date **you** become the **owner** if:
    - (a) **You** acquire the **auto** during the policy period shown on the **declarations page**;
    - (b) The **auto** that **you** acquire replaces one shown on the **declarations page**; and
    - (c) No other insurance policy provides coverage for that **auto**.

If the **auto** that **you** acquire replaces one shown on the **declarations page**, it will have the same coverage as the **auto** it replaces. **You** must ask **us** to insure a replacement **auto** within 30 days after **you** become the **owner** if **you** want to continue any coverage **you** had under **Part D - Damage To An Auto**. If the **auto** replaced did not have coverage under **Part D - Damage To An Auto**, **you** may add this coverage for the replacement **auto**.
  4. If **you** add any coverage to this policy or to any **covered auto**, or if **you** increase any of **your** limits, these changes to **your** policy will not become effective until after **you** ask **us** to add the coverage or increase **your** limits.
- F. **"Declarations page"** means the document from **us** listing:
1. The types of coverage **you** have elected;
  2. The limit for each coverage;
  3. The cost for each coverage;
  4. The specified **autos** covered by this policy;
  5. The types of coverage for each **auto**; and
  6. Other information that applies to this policy.
- G. **"Loss"** means sudden, direct, and accidental damage or theft.
- H. **"Occupying"** means in, upon, entering into, or alighting from.

- I. **“Owned”** means the person:
1. Holds legal registered title to the **auto**;
  2. Has legal possession of the **auto** subject to a lien or written security agreement with an original term of six months or more; or
  3. Has legal possession of the **auto** that is leased or rented to that person by a lessor licensed to lease motor vehicles under a written agreement for a continuous period of six months or more.
- J. **“Owner”** means any person who, with respect to an **auto**:
1. Holds legal registered title to the **auto**;
  2. Has legal possession of the **auto** subject to a lien or written security agreement with an original term of six months or more; or
  3. Has legal possession of the **auto** that is leased or rented to that person by a lessor licensed to lease motor vehicles under a written agreement for a continuous period of six months or more.
- K. **“Relative”** means a person residing in the same household as **you**, who is related to **you** by blood, marriage, registered domestic partnership under California law or adoption, including a ward, stepchild, or foster child. **Your** unmarried dependent children living temporarily away from home will be considered residents of **your** household. However, if the named insured is not a natural person, no insurance is provided for a **relative**.
- L. **“Use”** and **“using”** mean operating, maintaining, loading or unloading.
- M. **“We”**, **“Us”**, and **“Our”** mean the company providing the insurance that is named on the **declarations page**.
- N. **“You”** and **“Your”** mean:
1. The person or persons shown as a named insured on the **declarations page**; and
  2. That named insured's:
    - (a) Spouse; or
    - (b) Registered domestic partner under California law;if a resident of the same household as the named insured at the time of the **loss** or **accident**.

## PART A - LIABILITY COVERAGE

### INSURING AGREEMENT

Subject to the Limits of Liability, and while this policy is in force, **we** will pay damages, other than punitive or exemplary damages, for **bodily injury** and **property damage** for which an **Insured** becomes legally liable because of an **accident** arising out of the:

- A. Ownership or **use** of a **covered auto** or a **non-owned auto**; or
- B. **Use** of any **trailer** while attached to a:
  - 1. **Covered auto**; or
  - 2. **Non-owned auto** operated by an **Insured**.

Damages include:

- A. Prejudgment interest awarded against an **Insured**; and
- B. Payment for replacement of a child passenger restraint system in use by a child during an **accident** covered by **Part A**. The child passenger restraint system must meet applicable federal motor vehicle safety standards.

**We** will settle or defend, at **our** option, with counsel of **our** choice, any claim or lawsuit for damages covered by **Part A**. **We** will not defend any lawsuit after **we** have paid the Limits of Liability for the coverage.

### ADDITIONAL DEFINITIONS

When used in **Part A**:

- A. "**Insured**" and "**Insureds**" mean:
  - 1. **You** or a **relative** with respect to an **accident** arising out of the ownership or **use** of any **covered auto** or **non-owned auto**, or a **trailer** attached to either **auto**;
  - 2. Any person with respect to an **accident** arising out of that person's **use** of a **covered auto** with the express or implied permission of **you** or a **relative** within the scope of that permission;
  - 3. Any person or organization with respect only to vicarious liability for an **accident** arising out of the **use** of a **covered auto** or **non-owned auto** by a person described in **1** or **2** above;
  - 4. Any Additional Insured or Additional Insured-Lessor designated by **you** in **your** application or by a change request agreed to by **us**, with respect to liability for an **accident** to which **Part A** applies for a person described in **1** or **2** above.

"**Insured**" does not include the **owner**, or anyone else, from whom **you** lease, hire, or borrow an **auto** unless the **auto** is specifically shown on **your Declarations Page**.

- B. "**Non-owned auto**" means any **auto** that is not **owned** by, or available for regular **use** to, **you**, a **relative**, or **your** non-resident spouse.
- C. "**Property damage**" means physical injury to or destruction of tangible property, including loss of use of that property.
- D. "**Trailer**" means a non-motorized trailer, including a farm wagon or farm implement, designed to be towed on public roads by an **auto**.

### ADDITIONAL PAYMENTS

In addition to **our** Limits of Liability, **we** will pay for an **Insured**:

- A. All expenses that **we** incur in the settlement of any claim or defense of any lawsuit;
- B. Interest on compensatory damages accruing and payable by an **Insured** after entry of judgment in any lawsuit **we** defend until **we** have paid or tendered that portion of the judgment for damages covered by **Part A** that does not exceed **our** Limits of Liability. This does not apply if **we** have not been given notice of the lawsuit or the opportunity to defend an **Insured**;
- C. The premium on any appeal bond or attachment bond required in any lawsuit **we** defend. **We** have no duty to purchase a bond in an amount exceeding **our** Limits of Liability. **We** have no duty to apply for or furnish these bonds;
- D. Up to \$250 for a bail bond required because of an **accident** arising out of the ownership or **use** of a **covered auto** or **non-owned auto** by an **Insured**. **We** have no duty to apply for or furnish this bond; and
- E. Reasonable expenses, including loss of earnings up to \$200 a day, incurred at **our** request.
- F. **We** will pay up to \$50 of legal expenses incurred by **you** for **your** arrest (as defined in California Penal Code section 834) on charges arising out of an **accident** or **loss** involving a **covered auto**. But **we** will not pay for fines, forfeited bail or any penalty or restitution in any criminal action or proceeding.

## EXCLUSIONS

**There is no coverage if an exclusion applies under Part A.**

Coverage under **Part A**, including **our** duty to defend, does not apply to:

- A. **Bodily injury** or **property damage** arising out of the ownership or **use** of an **auto** or **trailer** that is being **used** to carry persons or property for compensation or a fee. This exclusion applies to, but is not limited to, the wholesale or retail delivery of goods, magazines, newspapers, food, or any other products. This exclusion does not apply to shared-expense car pools.
- B. **Bodily injury** or **property damage** arising out of the ownership or **use** of an **auto** while being **used** to plow or remove snow for compensation or a fee.
- C. Any liability assumed by the **Insured** under any contract or agreement.
- D. **Bodily injury** to an employee of the **Insured** arising out of or within the course of his or her employment. This does not apply to domestic employees if benefits are neither paid nor required to be provided under workers' compensation, disability, or similar laws.
- E. **Bodily injury** or **property damage** arising out of an **accident** involving the maintenance or **use** of a motor vehicle that is being **used** by any person or any agent or employee thereof while employed or engaged in the **business** of:
  - 1. Selling;
  - 2. Road testing;
  - 3. Repairing;
  - 4. Parking;
  - 5. Storing;
  - 6. Servicing;
  - 7. Delivering; or
  - 8. Testing;motor vehicles in connection therewith. This exclusion does not apply to **you** or a **relative**.
- F. **Bodily injury** or **property damage** resulting from any racing, speed or demolition contest, stunting activity, or practice or preparation for any such contest or activity.
- G. **Bodily injury** or **property damage** resulting from the operation of any **auto** on a track or course designed or used for racing or high performance driving, or in practice or preparation for any contest or **use** on a track or course used for such purposes.
- H. **Bodily injury** or **property damage** for which insurance is or can be afforded under a nuclear energy liability policy.
- I. Any obligation of the United States Government, its employees, or its agencies, to which the Federal Tort Claims Act applies.
- J. **Bodily injury** or **property damage** caused intentionally by or at the direction of the **Insured**.
- K. **Property damage** to any property:
  - 1. Owned by;
  - 2. Rented to;
  - 3. Transported by; or
  - 4. In charge of;any **Insured**. A motor vehicle operated by an **Insured** shall be considered to be property in charge of an **Insured**. This exclusion does not apply to:
  - 1. A rented residence or a rented garage damaged by a **covered auto**; or
  - 2. **Property damage** to another **covered auto**.
- L. **Bodily injury** to any **Insured** whenever the ultimate benefits of that indemnification accrue directly or indirectly to any **Insured**.
- M. **Bodily injury** or **property damage** arising out of the ownership or **use** of an **auto**, other than a **covered auto**, which is owned by or registered to or furnished or available for regular **use** to **you**, a **relative**, or a person who resides with **you**.
- N. **Bodily injury** or **property damage** arising out of the **use** of a **covered auto** while leased or rented to others. This exclusion does not apply to the operation of a **covered auto** by **you** or a **relative**.
- O. Any intentional discharge, dispersal or release of radioactive, pathogenic, poisonous, biological, chemical or hazardous material for any purpose other than its safe and useful purpose.

- P. **Bodily injury** or **property damage** arising out of the ownership or **use** of or while **occupying** an **auto** or **trailer** while it is parked and being used:
  - 1. As a residence or premises; or
  - 2. As premises for office, store or display purposes.
- Q. Any liability imposed upon or assumed by the **Insured** under any workers' compensation law.
- R. **Bodily injury** to any fellow employee of the **Insured**, who is injured in the course and scope of his or her employment. This does not apply to **you**
- S. Punitive or exemplary damages.
- T. Any fine, penalty, or restitution in any criminal action or proceeding.

#### **LIMITS OF LIABILITY**

- A. There will be no stacking or combining of coverage afforded to more than one **auto** under this policy. The Liability Coverage limit of liability shown on the **declarations page** is the most **we** will pay regardless of the number of:
  - 1. Claims made or lawsuits filed;
  - 2. **Covered autos**;
  - 3. **Autos** and **trailers** shown on the **declarations page**;
  - 4. **Insureds**;
  - 5. Claimants;
  - 6. Motor vehicles and trailers involved in an **accident**;
  - 7. Heirs, survivors or beneficiaries of persons with **bodily injury**; or
  - 8. Premiums paid or the number of premiums shown on the policy.
- B. If the **declarations page** shows that "combined single limit" or "CSL" applies, the amount shown is the most **we** will pay for the total of all damages resulting from any one **accident**. Without changing this total limit of liability for all damage in an **accident**, **we** will comply with any law that requires **us** to provide any separate limits.
- C. If the **declarations page** shows one limit for each person and another limit for each **accident**, the following limits shall apply to each **accident**:
  - 1. The amount shown for "each person" is the most **we** will pay for all damages due to **bodily injury** to one person. The "each person" limit of liability includes:  
The total of all claims arising out of **bodily injury** to a person and all claims of others derived from the **bodily injury**, including, but not limited to:
    - (a) Loss of consortium;
    - (b) Loss of services;
    - (c) Loss of society;
    - (d) Loss of companionship; and
    - (e) Wrongful death.
  - 2. Subject to the "each person" limit, the amount shown for "each accident" is the most **we** will pay for all damages in any one **accident** due to **bodily injury** sustained by two or more persons; and
  - 3. The amount shown for "property damage" is the most **we** will pay for the total of all **property damage** in any one **accident** for which an **Insured** becomes liable.
- D. No one will be entitled to duplicate payments for any elements of damages under this policy.
- E. Any payment to a person under **Part A** shall be reduced by any amount payable to that person under **Part B** or **Part C**.
- F. An **auto** and attached **trailer** are considered one **auto**. Therefore, the Limits of Liability will not be increased for an **accident** involving an **auto** that has an attached **trailer**.

#### **OTHER INSURANCE**

If there is other applicable liability insurance, bonds, certificates of insurance or deposit of cash made to evidence financial responsibility, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide shall be excess over all other collectible insurance, self-insurance, and bonds except the insurance **we** provide for a:

1. **Covered auto**; or
2. **Non-owned auto** temporarily loaned or rented to **you** by a person engaged in the **business** of selling, repairing, servicing, delivering, testing, road-testing, parking, or storing motor vehicles, unless the operator is an employee or agent of the person engaged in that **business**.

However, when there is other applicable liability insurance, **we** will share in the defense costs to the extent required by California Insurance Code Section 11580.9.

#### **FINANCIAL RESPONSIBILITY**

When this policy is certified as proof of financial responsibility, this policy will comply with the law to the extent required. **You** must reimburse **us** if **we** make a payment that **we** would not have made if this policy was not certified as proof of financial responsibility.

#### **OUT-OF-STATE COVERAGE**

If an **accident** to which coverage under **Part A** applies occurs in any state, territory or possession of the United States of America or any province or territory of Canada, other than the one in which a **covered auto** is principally garaged, and the state, province, territory or possession has:

- A. A financial responsibility or similar law requiring limits of liability for **bodily injury** or **property damage** higher than the limits shown on the **declarations page**, this policy will provide the higher liability limit; or
- B. A compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses an **auto** in that state, province, territory or possession, this policy will provide the greater of:
  1. The required minimum amounts and types of coverage; or
  2. The Limits of Liability under this policy.

## **PART B - MEDICAL PAYMENTS COVERAGE**

### **INSURING AGREEMENT**

Subject to **our** Limits of Liability and while this policy is in force, **we** will pay the **usual and customary charge** for reasonable and necessary **medical expenses** which an **Insured** is required to pay, and for reasonable expenses for funeral services, incurred within three years from the date of an **accident**

- A. Resulting from **bodily injury**;
- B. Sustained by an **Insured**; and
- C. Caused by an **accident** that arises out of the ownership or **use** of a land motor vehicle designed for operation on the public roads, or a **trailer** while **used** with such vehicle.

**We** have the right to review the **medical expenses** to determine if they are caused by an **accident** and are reasonable and necessary for diagnosis and treatment of the **bodily injury**. **We** may refuse to pay for any portion of a **medical expense** that is unreasonable because the fee for the service is greater than the fee that is the **usual and customary charge** for the geographic location in which the service is rendered. **We** may also refuse to pay for any **medical expense** because the service rendered is unnecessary for the treatment of the **bodily injury** sustained or was not caused by an **accident**. **We** may use other sources of information selected by **us** to determine if any **medical expense** is reasonable, necessary and caused by an **accident**. These sources may include:

- A. Exams by physicians **we** select. **We** will pay for these exams;
- B. Review of medical records and test results by persons and services selected by **us**;
- C. Computerized programs for analysis of medical treatment and expenses; and
- D. Published sources of medical expense information.

### **ADDITIONAL DEFINITIONS**

When used in **Part B**:

- A. "**Insured**" and "**Insureds**" mean:
  - 1. **You** while **occupying** any **auto**, other than an **auto owned** by **you** or any **relative** that is not a **covered auto**;
  - 2. A **relative** while **occupying** a **covered auto** or **non-owned auto**;
  - 3. **You** or any **relative** when struck, as a pedestrian, by a land motor vehicle of any type, or a **trailer**;
  - 4. Any other person while **occupying** a **covered auto** with permission from:
    - (a) **You** or a **relative**; or
    - (b) A person **using** the **covered auto** with permission from **you** or a **relative**; and
  - 5. Any person **occupying**, with permission from **you** or a **relative**, a parked **trailer**:
    - (a) Shown on the **declarations page**; or
    - (b) **Owned** by **you** while attached to a **covered auto**.
- B. "**Medical expenses**" mean medical treatment, services and products provided by a licensed health care provider, including ambulance, hospital, surgical, medical, dental, x-ray, professional nursing, and pharmaceutical services, and also includes eyeglasses, hearing aids and orthopedic and prosthetic devices prescribed by a licensed health care provider.
- C. "**Non-owned auto**" means any **auto** that is not **owned** by, or available for regular **use** to, **you**, a **relative**, or **your** non-resident spouse.
- D. "**Trailer**" means a non-motorized trailer, including a farm wagon or farm implement, designed to be towed on public roads by an **auto** that is not **occupied** or **used**:
  - 1. For commercial or business purposes;
  - 2. As a primary residence;
  - 3. As an office, store, or for commercial display purposes; or
  - 4. To transport passengers.

- E. **"Usual and customary charge"** means an amount that **we** determine represents a customary charge for services in the geographical area in which the service is rendered. **We** may determine the **usual and customary charge** through the use of other sources of **our** choice.

## **ADDITIONAL PAYMENTS**

In addition to **our** limit of liability, **we** will pay for the following:

### **ACCIDENTAL DEATH BENEFIT**

**We** will pay an accidental death benefit of \$1,000 in the event of **your** death when death results directly and independently of all other causes from **bodily injury** (other than sickness or disease resulting therefrom) caused by an **auto accident**, if death occurs within 90 days of the **auto accident**.

### **EXCLUSIONS**

**There is no coverage if an exclusion applies under Part B.**

Coverage under **Part B** does not apply to **bodily injury**:

- A. Sustained while **occupying** an **auto** that is being **used** to carry persons or property for compensation or a fee. This exclusion applies to, but is not limited to, the wholesale or retail delivery of goods, magazines, newspapers, food, or any other products. This exclusion does not apply to:
  - 1. Shared-expense car pools; or
  - 2. **Bodily injury** sustained by **you** or a **relative** while a passenger in a taxi, limousine or a public conveyance.
- B. Occurring within the course of employment if workers' compensation benefits are available for the **bodily injury**.
- C. Resulting from an **insured's** participation in any racing, speed or demolition contest, stunting activity, or practice or preparation for any such contest or activity.
- D. Resulting from an **insured's** operation of any **auto** on a track or course designed or used for racing or high performance driving, or in practice or preparation for any contest or **use** on a track or course used for such purposes.
- E. For which the United States Government, its employees, or its agencies is subject to liability under the Federal Tort Claims Act.
- F. Sustained by any person while **occupying** a **covered auto** or **trailer** without the express or implied permission or outside the scope of permission of **you** or a **relative**.
- G. Sustained by **you** or a **relative** while **occupying** a **non-owned auto** or **trailer** without the express or implied permission or outside the scope of permission of the **owner**.
- H. Sustained by a person other than **you** or a **relative** while **occupying** a **covered auto** while leased or rented to others.
- I. When struck by or while **occupying** an **auto**, other than a **covered auto**, **owned** by, or furnished or available for regular **use** to, **you**, a **relative**, or a person who resides with **you**.
- J. Resulting from any intentional discharge, dispersal or release of radioactive, pathogenic, poisonous biological, chemical or hazardous material for any purpose other than its safe and useful purpose.
- K. Arising out of the ownership or **use** of, or while **occupying**, an **auto** or **trailer** while it is parked and being used:
  - 1. As a residence or premises; or
  - 2. As a premises for office, store or display purposes.
- L. That is intentionally inflicted on an **Insured** at that person's request or self-inflicted.
- M. Caused by or as a consequence of:
  - 1. Nuclear reaction, exposure, radiation or radioactive contamination, or for which insurance is afforded under a nuclear energy liability insurance contract;
  - 2. Discharge of a nuclear weapon;
  - 3. War;
  - 4. Civil war;
  - 5. Insurrection; or
  - 6. Rebellion or revolution.
- N. That arises out of **occupying** or **using** a motor vehicle with:
  - 1. Less than four wheels; or
  - 2. Four or more wheels if the motor vehicle is not designed for operation principally upon public roads.

## LIMITS OF LIABILITY

- A. The Part B Medical Payments limit of liability shown on the **declarations page** is the most **we** will pay for each **Insured** injured in any one **accident**, regardless of the number of:
1. Claims made;
  2. **Covered autos**
  3. **Autos** and **trailers** shown on the **declarations page**;
  4. **Insureds**;
  5. Lawsuits filed;
  6. Motor vehicles and trailers involved in an **accident**; or
  7. Premiums paid or the number of premiums shown on the policy.
- B. There will be no stacking or combining of coverage afforded to more than one **auto** under this policy.
- C. Any amount payable to an **Insured** under **Part B** will be reduced by any amount paid or payable for the same expense under **Part A** or **Part C**.
- D. No one will be entitled to duplicate payments for any elements of damages or expense under this policy or from any other source.

## PAYMENT OF MEDICAL OR FUNERAL EXPENSE

**We** may pay, at our option, the **Insured** who is financially obligated for the medical or funeral expenses or any person or organization charging the expense.

## OTHER INSURANCE

If there is other applicable **auto** medical payments insurance on any other policy that applies to a loss covered under this **Part B**, **we** will pay only **our** share of the medical and funeral services. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable medical payment limits. However, any insurance **we** provide shall be excess over all other **auto** or **trailer** insurance providing payments for medical or funeral expenses except the insurance **we** provide for a **covered auto**.

## **PART C - UNINSURED MOTORIST COVERAGE (Including Underinsured Motorist Coverage)**

### **INSURING AGREEMENT**

Subject to the Limits of Liability, and while this policy is in force:

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:

1. **Bodily injury** sustained by an **Insured** and caused by an **accident**, and
2. **Property damage** caused by an **accident** if the Declarations indicates that **Property Damage Uninsured Motorists Coverage** applies to that **auto**. Only Items 1. and 4. under the definition of **uninsured motor vehicle** apply to **property damage**.

The **owner's** or operator's liability for these damages must arise out of the ownership, maintenance or **use** of the **uninsured motor vehicle**. With respect to coverage under Item 2. of the definition of **uninsured motor vehicle**, we will pay only after the limits of liability under any liability bonds or policies applicable to the **uninsured motor vehicle** have been exhausted by payment of judgments or settlements.

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 C** means:

1. **You** or any **relative**.
2. Any other person **occupying your covered auto**.
3. Any person for damages that person is entitled to recover because of **bodily injury** to which this coverage applies sustained by a person in 1. or 2. above.

However, with respect to coverage for **bodily injury**, **Insured** does not include any person who sustains **bodily injury** while **your covered auto** is being used as a public or livery conveyance. This exception does not apply to a share-the-expense car pool.

C. **Property damage** as used in this **Part C** 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** other than a child passenger restraint system that:
  - a. Meets the applicable federal motor vehicle safety standards; and
  - b. Was in use by a child at the time of the **accident** for which this coverage applies.

D. **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. Which, with respect to damages for **bodily injury** only, is an underinsured motor vehicle. An underinsured motor vehicle is one to which a liability bond or policy applies at the time of the **accident** but its limit for liability is less than the Limits of Liability for this coverage.
3. Which, with respect to damages for **bodily injury** only, is a hit-and-run vehicle whose **owner** or operator cannot be identified and which makes physical contact with:
  - a. **You** or any **relative**;
  - b. A vehicle which **you** or any **relative** are **occupying**; or
  - c. **Your covered auto**.
4. To which a liability bond or policy applies at the time of the **accident** but the bonding or insuring company:
  - a. Denies coverage;
  - b. Refuses to admit coverage except conditionally or with reservation; or
  - c. Is or becomes insolvent within one year of the date of the **accident**.

With respect to coverage for **property damage**, the **accident** must involve direct physical contact between **your covered auto** and the **uninsured motor vehicle**, and:

1. The **owner** or operator of the **uninsured motor vehicle** must be identified; or
2. The **uninsured motor vehicle** must be identified by its license number.

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

1. **Owned** by **you** or any **relative** unless the vehicle is being operated, or caused to be operated, by a person without the consent of the **owner** of such vehicle in connection with criminal activity that has been documented in a police report.
2. Furnished or available for the regular **use** of **you** or any **relative**.
3. **Owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
4. **Owned** by any governmental unit or agency.
5. Designed or modified for **use** primarily off public roads while not on public roads.
6. While located for use as a residence or premises.

#### **ADDITIONAL DUTIES AFTER AN ACCIDENT OR LOSS**

In addition to complying with **Your Duties**:

- A. A person seeking **Uninsured Motorists Coverage** must also send **us** copies of the legal papers if a suit is brought.
- B. A person seeking **Uninsured Motorists Coverage** for an **accident** involving a vehicle described in Item **2.** of the definition of **uninsured motor vehicle** must also:
  1. Provide **us** with a copy of the complaint by personal service or certified mail, if the **Insured** brings action against the **owner** or operator of the **uninsured motor vehicle**.
  2. Within a reasonable time, make available all pleadings and depositions for copying by **us** or furnish **us** copies at **our** expense.
  3. Provide **us** with proof that the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.
- C. A person seeking **Uninsured Motorists Coverage** for **property damage** must also notify **us** or **our** agent within 10 business days of the **accident**.

#### **EXCLUSIONS**

- A. **We** do not provide **Uninsured Motorists Coverage** for **bodily injury** sustained:
  1. By an **Insured** while **occupying**, or when struck by:
    - a. Any motor vehicle; or
    - b. A trailer of any type used with a motor vehicle;**owned** by that **Insured** which is not insured for this coverage under this policy.
  2. By any **relative** 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.

However, this Exclusion **A** shall not apply to **bodily injury** sustained by an **Insured** when struck by any motor vehicle or trailer:

1. **Owned** by that **Insured**; and
  2. Being operated, or caused to be operated, by a person without that **Insured's** consent in connection with criminal activity that has been documented in a police report and that **Insured** is not a party to the criminal activity.
- B. **We** do not provide **Uninsured Motorists Coverage** for **bodily injury** sustained by any **Insured**:
    1. If that **Insured** or the legal representative settles the **bodily injury** claim and such settlement prejudices **our** right to recover payment.

This Exclusion **B.1.** does not apply to a settlement made with the insurer of a vehicle described in Item **2.** of the definition of **uninsured motor vehicle**.
    2. **Using** a vehicle without a reasonable belief that that **Insured** is entitled to do so. This Exclusion **B.2.** does not apply to a **relative using your covered auto** which is **owned** by **you**.
    3. While **occupying** a motor vehicle rented or leased to that **Insured** for **use** as a public or livery conveyance.
  - C. **We** do not provide **Uninsured Motorists Coverage** for **property damage** sustained by any **Insured** while **occupying** or when struck by any motor vehicle owned by **you** or any **relative** which is not insured for this coverage under this policy.
  - D. This coverage shall not apply:
    1. To **property damage** to:
      - a. A trailer of any type;

- b. Any motor vehicle **owned** by **you** to which Collision Coverage applies under this policy; or
  - c. Any other motor vehicle to the extent that there is valid and collectible Collision Coverage applicable to that damage under any other policy.
2. Directly or indirectly to benefit:
- a. Any insurer or self-insurer under any of the following or similar law:
    - (1) Workers' compensation law; or
    - (2) Disability benefits law.
  - b. Any insurer of property.
3. Directly to the benefit of the United States or any state or political subdivision thereof.
- E. **We** do not provide **Uninsured Motorists Coverage** for punitive or exemplary damages.

#### **LIMITS OF LIABILITY**

- A. The limit of liability shown on the **declarations page** for each person for **Uninsured Motorists 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 person in any one **accident**. Subject to this limit for each person, the limit of liability shown on the **declarations page** for each **accident** for **Uninsured Motorists Coverage** is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one **accident**.

**Our** maximum limit of liability for all damages for **property damage** resulting from any one **accident** will be the lesser of:

- 1. The Limit of **Uninsured Motorists Property Damage Coverage** shown on the **declarations page**;
- 2. The actual cash value of **your covered auto**; or
- 3. The amount of any deductible if there is valid and collectible Collision Coverage under this or any other policy.

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of the loss.

The limit of **Uninsured Motorist Coverage** or **Uninsured Motorist Property Damage Coverage** shown on the **declarations page** is the most **we** will pay regardless of the number of:

- 1. **Insureds**;
- 2. Claims made;
- 3. Vehicles or premiums shown on the **declarations page**; or
- 4. Vehicles involved in the **accident**.

- B. With respect to coverage under Item **2.** of the definition of **uninsured motor vehicle**, the limit of liability shall be reduced by all sums:
- 1. Paid because of the **bodily injury** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part **A** of this policy; and
  - 2. Paid or payable because of the **bodily injury** under any automobile medical payments coverage. This includes all sums paid under Part **B**.
- C. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part **A** or Part **B** 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 workers' compensation law exclusive of non-occupational disability benefits.

#### **OTHER INSURANCE**

If there is other applicable insurance available under one or more policies or provisions 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 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 person is legally entitled to recover damages under this coverage; or
  2. As to the amount of damages;then the matter will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party. The arbitration shall be conducted by a single neutral arbitrator. With respect to **property damage**, arbitration proceedings must be formally instituted by the **insured** within 1 year from the date of the **accident**. Disputes concerning coverage under this part may not be arbitrated.
- B. Each party will:
  1. Pay the expenses it incurs; and
  2. Bear the expenses of the arbitrator equally.
- C. Any decision of the arbitrator will be binding as to:
  1. Whether the **Insured** is legally entitled to recover damages; and
  2. The amount of damages.

#### **ACCRUAL OF CAUSE OF ACTION FOR UNINSURED MOTORIST COVERAGE**

With respect to **bodily injury** for an **accident** involving a vehicle described in Items **1.**, **3.** and **4.** of the definition of **uninsured motor vehicle**, no cause of action shall accrue unless one of the following actions have been taken within 2 years from the date of the **accident**:

- A. Agreement as to the amount of damages for **bodily injury** due under this coverage has been concluded;
- B. The **insured** or his legal representative has formally instituted arbitration proceedings by notifying **us** in writing. With respect to bodily injury, such notification must be sent by certified mail, return receipt requested; or
- C. Suit for **bodily injury** has been filed against the uninsured motorist in a court of competent jurisdiction.

Written notice of the suit must be provided to **us** within a reasonable time after the **insured** knew or should have known of the uninsured status of the other motorist. In no event will such notice be required before two years from the date of the accident. Failure of the **insured** or his representative to provide such notice will not be a basis for a denial of coverage unless such failure prejudices our rights.

## **PART D - DAMAGE TO AN AUTO**

### **INSURING AGREEMENT - COLLISION COVERAGE**

**We** will pay, subject to the Limits of Liability and while this policy is in force, for **loss** to a:

- A. **Covered auto** for which Collision Coverage has been purchased;
- B. **Non-owned auto** while the **auto** is in the custody of, or being operated by, **you** or a **relative** with the express or implied permission of the **owner**;
- C. **Trailer** shown on the **declarations page** or a **trailer** while being towed by a **covered auto**; or
- D. A **mounted camper** shown on the **declarations page**;

when it is upset or has physical impact with another vehicle or object, but not an animal, bird or falling objects.

Collision Coverage includes payment for replacement of a child passenger restraint system that was in use by a child during an **accident** for which Collision Coverage applies. The child passenger restraint system must meet applicable federal motor safety standards.

### **WAIVER OF COLLISION DEDUCTIBLE**

When there is a **loss** to **your covered auto** for which Collision Coverage has been purchased under this policy, we will pay the full Collision deductible if:

- A. The **loss** involves an **uninsured motor vehicle** as the term is defined in items **D.1.** and **D.4.** of the **uninsured motor vehicle** definition in **Part C** of this policy;
- B. **You** are legally entitled to recover the full amount of the **loss** from the owner or operator of the **uninsured motor vehicle**; and
- C. A specific premium charge in the **declarations page** indicates that the Waiver of Collision Deductible Provision applies to that **covered auto**.

### **INSURING AGREEMENT - OTHER THAN COLLISION COVERAGE**

While this policy is in force, **we** will pay, subject to the Limits of Liability, for Other Than Collision **loss** to a:

- A. **Covered auto** for which Other Than Collision Coverage has been purchased;
- B. **Non-owned auto** while the **auto** is in the custody of, or being operated by, **you** or a **relative** with the express or implied permission of the **owner**;
- C. **Trailer** shown on the **declarations page** or a **trailer** while being towed by a **covered auto**; or
- D. A **mounted camper** shown on the **declarations page**.

Other Than Collision Coverage includes payment for replacement of a child passenger restraint system that was in use by a child during an **accident** for which Other Than Collision Coverage applies. The child passenger restraint system must meet applicable federal motor safety standards.

An "Other Than Collision" **loss** shall not include any **loss** covered under Collision Coverage.

An "Other Than Collision" **loss** includes, but is not limited to, **loss** caused by:

- A. Contact with an animal or a bird;
- B. Explosion or earthquake;
- C. Fire;
- D. Malicious mischief or vandalism;
- E. Missiles or falling objects;
- F. Riot or civil commotion;
- G. Theft or larceny; or
- H. Windstorm, hail, water, or flood.

### **TRANSPORTATION COVERAGE**

A. Other Than Collision Coverage includes payment of:

- 1. Reasonable transportation expenses incurred by **you** if a **covered auto** to which Other Than Collision Coverage applies is stolen; or
- 2. Reasonable loss of use damages that **you** are legally liable to pay if a **non-owned auto** is stolen; subject to a limit of the greater of:
  - 1. \$30 each day for 30 days; or

2. Any higher limit of liability for Transportation Coverage or Rental Reimbursement Coverage shown on the **declarations page**.
- B. Transportation Coverage shall not duplicate any coverage provided under Rental Reimbursement Coverage.
- C. Coverage for transportation expenses and loss of use damages begins 48 hours after **you** report the theft to **us**, and ends the earliest of:
1. When the **covered auto** or **non-owned auto** has been recovered and returned to **you** or its **owner**;
  2. When the **covered auto** or **non-owned auto** has been recovered and repaired;
  3. When the **covered auto** or **non-owned auto** has been replaced;
  4. 72 hours after **we** make an offer to pay **our** limit of liability under **Part D** if the **auto** is deemed by **us** to be a **total loss** or unrecoverable; or
  5. The end of the period of time reasonably required to repair or replace the **auto**.
- D. **You** must give **us** written proof of **your** transportation expenses or the loss of use damages.
- E. If **we** can pay the **loss** under either Other Than Collision Coverage or Collision Coverage, **we** will pay under the coverage where **you** collect the most.

#### **INSURING AGREEMENT - ADDITIONAL EQUIPMENT AND CUSTOM PARTS**

- A. Subject to the Limits of Liability, if **you** pay the premium for Other Than Collision Coverage or Collision Coverage, **we** will pay for theft of, or damage to, **additional equipment and custom parts** resulting from any **loss** for which that coverage is provided under the terms of this policy. All payments for **loss** to **additional equipment and custom parts** shall be reduced by the applicable deductible, but only one deductible may be applied to any one **loss** in an **accident** which is covered by **Part D**.
- B. The limit of liability for **loss** to **additional equipment and custom parts** is the lowest of:
1. The actual cash value of such **additional equipment and custom parts**, reduced by the applicable deductible, and reduced by its salvage value if **you** or the **owner** retain the salvage;
  2. The amount necessary to repair such **additional equipment and custom parts**, reduced by the applicable deductible;
  3. The amount necessary to replace such **additional equipment and custom parts**, reduced by the applicable deductible, and reduced by its salvage value if **you** or the **owner** retain the salvage; or
  4. The limit of:
    - (a) \$2,000 if **you** did not purchase coverage **additional equipment and custom parts**; or
    - (b) The limit shown on the **declarations page** for Additional Equipment if you have purchased this coverage with a higher limit.
- C. **We** will reduce the amount of the **loss** to **additional equipment and custom parts** by its salvage value if **you** or the **owner** retain the salvage.
- D. Coverage for **additional equipment and custom parts** shall not cause **our** limit of liability for **loss** to an **auto** under **Part D** to be increased to an amount in excess of:
1. The actual cash value of the **auto**, including its **additional equipment and custom parts**; or
  2. Any applicable Limits of Liability or Stated Amount Coverage elected by **you**.

#### **ADDITIONAL DEFINITIONS**

When used in **Part D**:

- A. "**Additional equipment and custom parts**" means equipment, devices, accessories, enhancements, and changes to an **auto**, other than those which are installed by the **auto's** original manufacturer, which:
1. Are permanently installed or attached; and
  2. Alter the appearance or performance of an **auto**.

This includes any permanently installed electronic equipment, antennas, and other devices, other than those which are installed by the original **auto** manufacturer, that are used exclusively to send or receive audio, visual, digital, data or GPS signals, or to play back recorded media. A device will be deemed permanently installed in the **covered auto** or **non-owned auto** if it is attached by bolts or brackets, including slide-out brackets.

This also includes custom paint; murals; decals; graphics; custom seats, wheels and tires; winches; roll bars; running boards; and handicap equipment. "**Additional equipment and custom parts**" does not include a **mounted camper**.

- B. **"Mounted camper"** means a pickup truck mounted camper shown on the **declarations page** and used for recreational purposes, that contains sleeping facilities, and may also contain cooking and bathroom facilities.
- C. **"Non-owned auto"** means any **auto** that is not **owned** by, or available for regular **use** to, **you**, a **relative**, a resident of **your** household, or the spouse of the named insured.
- D. **"Total loss"** means:
1. The theft of the **auto**, **trailer**, or **mounted camper** if it is not recovered within 30 days; or
  2. Any other **loss** that is payable under **Part D** if the cost to repair the damage (including parts and labor), when combined with the salvage value, exceeds the actual cash value of the **auto**, **trailer**, or **mounted camper** at the time of the **loss**.
- E. **"Trailer"** means a non-motorized utility trailer or camping trailer, including a farm wagon or farm implement, designed to be towed on public roads by an **auto**.
- "Trailer"** does not include any vehicle or device used:
1. For commercial or business purposes;
  2. As a primary residence;
  3. As an office, store, or for commercial display purposes; or
  4. To transport passengers.

### **ADDITIONAL PAYMENTS**

In addition to **our** limit of liability, **we** will pay for the following without a deductible:

### **LOCK REPLACEMENT COVERAGE**

- A. **We** will pay up to \$1,500 for lost keys of a **covered auto**, including:
1. The cost to duplicate or replace lost or stolen keys; or
  2. The cost of replacing the locks when the keys are lost or stolen, or when the **covered auto** is stolen and then recovered.
- B. Coverage applies if a **covered auto** shows a premium for Other Than Collision Coverage on the **declarations page**.

### **EXCLUSIONS**

**There is no coverage if an exclusion applies under Part D.**

Coverage under **Part D** does not apply for **loss**:

- A. To any **auto**, **trailer** or **mounted camper** that is being **used** to carry persons or property for compensation or a fee. This exclusion applies to, but is not limited to, the wholesale or retail delivery of goods, magazines, newspapers, food, or any other products. This exclusion does not apply to shared-expense car pools.
- B. To any **auto** that is being **used** to plow or remove snow for compensation or a fee, or to any **trailer** or **mounted camper** attached to an **auto** or other vehicle being **used** to plow or remove snow for compensation or a fee.
- C. To any **covered auto**, **trailer** or **mounted camper** while it is leased or rented to others.
- D. To a **non-owned auto** or **trailer**, other than one rented by **you** or a **relative**, if being maintained or **used** by a person while employed or engaged in any **business** not described in the next exclusion. This exclusion does not apply to a **non-owned auto** that is of the private passenger type, or a **trailer**, while operated or being towed by **you** or a **relative**.
- E. To a **non-owned auto**, **trailer** or **mounted camper** while being **used** or driven by a person while employed or engaged in the **business** of:
1. Selling;
  2. Road Testing;
  3. Repairing;
  4. Parking;
  5. Storing;
  6. Servicing;
  7. Delivering; or
  8. Testing;
- motor vehicles.

- F. To any **auto, trailer or mounted camper** resulting from any racing, speed or demolition contest, stunting activity, or practice or preparation for any such contest or activity.
- G. To any **auto, trailer or mounted camper** that results from the operation of any **auto** on a track or course designed or used for racing or high performance driving, or in practice or preparation for any contest or **use** on a track or course used for such purposes.
- H. To any **auto, trailer or mounted camper** due to nuclear reaction, exposure, radiation or contamination.
- I. To any **auto, trailer or mounted camper** for which insurance is afforded under a nuclear energy liability insurance contract.
- J. Due to destruction or confiscation by governmental or civil authorities.
- K. To any **auto, trailer or mounted camper** that is intended or is caused intentionally by a willful act by **you**, a **relative**, or the **owner** of the **auto, trailer or mounted camper**, or at the direction of **you**, a **relative**, or the **owner** of the **auto, trailer or mounted camper**. This exclusion will not apply to the extent of the legal interest of **you** or a **relative** who sustains the **loss** as the result of domestic violence if:
  - 1. The applicable state law protects that interest;
  - 2. That person has not participated in, contributed to, directed, or consented to the intentional act causing the **loss**; and
  - 3. A family violence complaint has been filed with the appropriate law enforcement authorities.
- L. To any **auto, trailer or mounted camper** that is due and confined to:
  - 1. Wear and tear;
  - 2. Freezing;
  - 3. Mechanical or electrical breakdown or failure; or
  - 4. Road damage to tires.

This exclusion does not apply if the damage results from the theft of an **auto, trailer or mounted camper**.
- M. Due to theft or conversion of an **auto, trailer or mounted camper**:
  - 1. By **you**, a **relative**, or any resident of **your** household;
  - 2. Prior to its delivery to **you** or a **relative**; or
  - 3. While in the care, custody, or control of anyone engaged in the **business** of selling the **auto, trailer or mounted camper**.
- N. To equipment, devices, accessories, and any other personal effects that are not permanently installed or attached by brackets or bolts. This includes, but is not limited to:
  - 1. Tapes, compact discs, cassettes, DVDs and other recording or recorded media;
  - 2. Any case or other container designed for storing or carrying tapes, compact discs, cassettes, or other recording or recorded media;
  - 3. Any device used for the detection or location of radar, laser, or other speed measuring equipment or its transmissions;
  - 4. Computers, DVD players, internet devices, iPods, MP3 players, satellite radio or receiver devices, entertainment systems, or wireless audio devices;
  - 5. CB radios, telephones, two-way mobile radios, or televisions; and
  - 6. All other video, audio, computing, navigation and communication devices and accessories.

This exclusion does not apply to:

  - 1. Equipment removable from a housing unit permanently installed in the **auto**; or
  - 2. A child passenger restraint system that was in use by a child during an **accident** for which coverage applies.
- O. To **additional equipment and custom parts** in excess of the applicable Limits of Liability.
- P. To any **auto, trailer or mounted camper** for diminution of value, or any actual or perceived loss in market or resale value that results from a **loss**.
- Q. To any **auto, trailer or mounted camper** caused directly or indirectly by mold, mildew or fungus, including any type or form of:
  - 1. Decomposing or disintegrating organic material or micro-organism;
  - 2. Organic surface growth on moist, damp, or decaying matter;
  - 3. Yeast or spore-bearing plant-like organism;

4. Spores, scents, toxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus, or other microbes.

This exclusion does not apply to **loss** caused by mold, mildew or fungus, if such **loss** is caused by any other **loss** covered under **Part D**.

- R. To any **auto**, **trailer** or **mounted camper** caused directly or indirectly by:
1. War (declared and undeclared, and civil war);
  2. Warlike action by any military force, government, sovereign or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack;
  3. Insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts; or
  4. Any intentional discharge, dispersal or release of radioactive, nuclear, pathogenic, poisonous biological, chemical or hazardous material for any purpose other than its safe and useful purpose.
- S. To personal effects in or on an **auto**, **trailer** or **mounted camper**.
- T. To a **mounted camper** while being maintained or used by any person in connection with their employment or any **business**.
- U. To any **trailer** or **mounted camper** that is:
1. Caused by or confined to:
    - (a) Marring;
    - (b) Deterioration;
    - (c) Latent defect;
    - (d) Manufacturing defect;
    - (e) Inherent vice;
    - (f) Smog;
    - (g) Rust or other corrosion;
    - (h) Wet or dry rot;
    - (i) Dampness of atmosphere or extreme temperatures;
    - (j) Smoke from agricultural smudging or industrial operations;
    - (k) Improper or lack of routine maintenance, or failure to perform maintenance as prescribed by the manufacturer; or
    - (l) Gradual accumulation of snow or ice;
  2. Resulting from:
    - (a) Discharge;
    - (b) Dispersal;
    - (c) Seepage;
    - (d) Migration;
    - (e) Release; or
    - (f) Escape;of pollutants, including any solid, liquid, gaseous or thermal irritant or contaminant;
  3. Related to settling, shrinking, bulging or expansion, including resultant cracking, of:
    - (a) Walls;
    - (b) Floors;
    - (c) Roofs; or
    - (d) Ceilings;
  4. Scorching, marring, scratching, or breakage of internal equipment or furnishings;
  5. Caused by freezing of:
    - (a) Plumbing;
    - (b) Heating;

- (c) Air conditioning; or
- (d) A cooking or washing appliance;
- 6. Caused by:
  - (a) Discharge;
  - (b) Leakage; or
  - (c) Overflow;
 of any fluid, gas, solid or any other substance from within a system or appliance contained within the **trailer** or **mounted camper**; or
- 7. Caused by birds, vermin, rodents, insects or other animals, other than an impact **loss**.
- V. Sustained to any awning or cabana attached to or used with a **trailer** or **mounted camper**.
- W. To any **mounted camper** that is not listed on this policy.
- X. To **additional equipment and custom parts** on or in a **trailer** or **mounted camper**.
- Y. That occurs while a **trailer** or **mounted camper** is being used as a primary residence.

#### REPLACEMENT GLASS

- A. **We** have no duty to pay the actual cash value of window glass or to replace window glass after a **loss** if **you** agree to have the window glass repaired at **our** expense with no deductible.
- B. **We** have no duty to pay for or replace any insignia, stickers, decals, logo, trademark or decorative markings on windshields or other glass that is replaced.

#### LIMITS OF LIABILITY

- A. The limit of liability for **loss** to a **covered auto**, **non-owned auto**, **trailer**, or **mounted camper** is the lowest of:
  - 1. The actual cash value of the stolen or damaged property at the time of the **loss**, reduced by the applicable deductible shown on the **declarations page**, and by its salvage value if **you** or the **owner** retain the salvage;
  - 2. The amount necessary to replace the stolen or damaged property, reduced by the applicable deductible shown on the **declarations page** and by its salvage value if **you** or the **owner** retain the salvage;
  - 3. The amount necessary to repair the damaged property to its pre-loss condition, reduced by the applicable deductible shown on the **declarations page**; or
  - 4. Any applicable Limits of Liability or Stated Amount Coverage shown on the **declarations page**, reduced by its salvage value if **you** or the **owner** retains the salvage.

However, if the **loss** is to a **trailer**:

- 1. The most **we** will pay for **loss** to a **trailer** that is shown on the **declarations page** is the limit of liability shown on the **declarations page** for the trailer sustaining the **loss**; and
- 2. The most **we** will pay for **loss** to any other **trailer** **you** own that is not shown on the **declarations page** is \$500.
- 3. The most **we** will pay for **loss** to a **non-owned trailer** is \$3,000.
- B. Payments for **loss** covered under Collision Coverage, Other Than Collision Coverage, Custom Parts or Equipment Coverage and Additional Custom Parts or Equipment Coverage are subject to the following provisions:
  - 1. No more than one deductible under **Part D** shall be applied to any one covered **loss**. If **loss** to more than one **auto** covered under **Part D** results from the same collision, only the highest applicable deductible under **Part D** will apply.
  - 2. If coverage applies to a **non-owned auto**, **we** will provide the broadest coverage applicable to any **auto** shown on the **declarations page**. However, the highest deductible on any **covered auto** shall apply.
  - 3. If Stated Amount Coverage is elected by **you** for a **covered auto**, the stated amount is the most **we** will pay for all **loss** to a **covered auto**, including its **additional equipment and custom parts**.
  - 4. An adjustment for depreciation or physical condition, which may also be referred to as betterment, wear and tear, or prior damage, will be made in determining the Limits of Liability. If a repair or replacement results in better than like kind or quality, **we** will not pay for the amount of the betterment. Betterment for which **you** will be responsible includes, but is not limited to:
    - (a) The value relating to the increase in useful life of replaced parts that have a limited useful life; and
    - (b) The increase in value from the repair of prior damage.
  - 5. In determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:

- (a) Shall not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**.
- (b) Will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
  - (i) Original manufacturer parts or equipment; and
  - (ii) Non-original manufacturer parts or equipment.
- 6. The actual cash value is determined by the market value, age and condition of the **auto, trailer or mounted camper** at the time the **loss** occurs.
- 7. No one will be entitled to duplicate payments for any elements of damages under this policy or any other source.
- C. If more than one **auto, trailer, or mounted camper** is shown on the **declarations page**, coverage will be provided as specified on the **declarations page** as to each **auto, trailer, or mounted camper**.
- D. No deductible will apply to a **loss** to window glass when the glass is repaired instead of replaced.
- E. If two or more deductibles apply to any one **auto, trailer, or mounted camper** in a covered **loss**, only the lowest deductible will apply.
- F. **We** do not pay for a decrease or diminution in value of any **covered auto** or **non-owned auto**.

#### **RENTAL REIMBURSEMENT COVERAGE**

Subject to the limits of liability, if **you** pay the premium for Rental Reimbursement Coverage, **we** will reimburse rental charges incurred when **you** rent an **auto** from a rental agency or auto repair shop due to a **loss**:

- A. To a **covered auto** for which Rental Reimbursement Coverage has been purchased; and
- B. For which Other Than Collision Coverage or Collision Coverage applies.

**Our** limits of liability are the amount and the number of days shown on the **declarations page**.

If Rental Reimbursement Coverage applies, no other coverage under this policy for rental expenses shall apply.

Rental charges will be reimbursed beginning:

- A. When the **covered auto** cannot be driven due to a **loss**; or
- B. If the **covered auto** can be driven, when **you** deliver the **covered auto** to an auto repair shop for repairs due to the **loss**;

and ending the earliest of when the **covered auto** has been:

- A. Returned to **you**;
- B. Repaired;
- C. Replaced; or
- D. If the **covered auto** is deemed by **us** to be a **total loss**, 72 hours after **we** make an offer to pay the applicable limit of liability under **Part D**.

**You** must provide **us** written proof of **your** rental charges. Duplicate recovery for any expense or charge is not permitted under this policy.

#### **PAYMENT OF LOSS**

At **our** expense, **we** may return any recovered stolen property to **you** or to the address shown on the **declarations page** or at **your** last known address shown in **our** records, with payment for any damage resulting from the theft. **We** may keep all or part of the property at the agreed or appraised value. **We** may settle any **loss** with **you** or the **owner** or lienholder or lessor of the property.

#### **NO BENEFIT TO BAILEE**

Coverage under **Part D** will not directly or indirectly benefit any carrier or a bailee for hire.

#### **LIENHOLDER - LOSS PAYEE AGREEMENT**

- A. Payment under **Part D** for a **total loss** to a **covered auto, trailer, or mounted camper** will be made as **your** interest and the interest of any Loss Payee or lienholder is shown on the **declarations page** or designated by **you**.
- B. Payment may be made to both jointly, or separately, to **you** and the Loss Payee or Lienholder, at **our** discretion.
- C. **We** may make payment for a partial **loss** covered under **Part D** directly to the repair facility with **your** consent.
- D. Where fraud, misrepresentation, material omission, intentional damage, or conversion, secretion and/or embezzlement of an **auto, trailer, or mounted camper** has been committed by or at the direction of **you** or a **relative**, or where the **loss** is otherwise not covered under the terms of this policy, the Loss Payee or lienholder's interest will not be protected.

- E. **We** will be subrogated to the Loss Payee or lienholder's rights of recovery to the extent of **our** payment to the Loss Payee or lienholder.

#### **OTHER INSURANCE**

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

- A. Any coverage provided by, to, or through the **owner** of the **auto** or **trailer**;
- B. Any other applicable physical damage insurance;
- C. Any applicable self-insurance; and
- D. Any other source of recovery.

#### **APPRAISAL**

If we cannot agree with you on the amount of a **loss** covered under **Part D**, then either **we** or **you** may demand an appraisal of the loss. If this demand is made, each party shall appoint a competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within 15 days, either **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of **loss**. The amount of **loss** agreed to by both appraisers, or by one appraiser and the umpire, will be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. Payment of the umpire and the umpire's expenses of the appraisal will be shared equally between **us** and **you**. Each party will pay any other expenses it incurs, including any costs incurred for legal counsel, witnesses or experts. Neither party waives any rights under this policy by agreeing to an appraisal.

## **PART E - ROADSIDE ASSISTANCE COVERAGE**

### **INSURING AGREEMENT**

If **you** have purchased insurance under **Part A – Liability Coverage**, **we** will pay for **our** authorized service representative to provide:

- A. Towing of a **covered disabled auto** to the nearest qualified repair facility, to a maximum of 15 miles; and
- B. Minor on-site labor on a **covered disabled auto** at the place of disablement, which is necessary due to a **covered emergency**.

### **ADDITIONAL DEFINITIONS**

When used in **Part E**:

- A. “**Covered disabled auto**” means a **covered auto** that becomes disabled due to a **covered emergency**.
- B. “**Covered emergency**” means a disablement that is a result of:
  - 1. 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, water or sand.

### **EXCLUSIONS**

**There is no coverage if an exclusion applies under Part E.**

Coverage under **Part E** does not apply for:

- A. Any parts or replacement keys;
- B. Fluid, lubricants or fuel in excess of the amount required to get **your** vehicle back on the road;
- C. Installation of any products or materials not related to the disablement;
- D. Labor or materials not related to the disablement of **your** vehicle including work performed at a service station, garage or repair shop;
- E. Labor on a **covered disabled auto** for any time period in excess of sixty (60) minutes from time of dispatch per disablement;
- F. Tire repair or replacement;
- G. Any and all fines, vehicle storage charges, transportation or temporary living expenses;
- H. Towing or storage related to impoundment, abandonment, illegal parking or other violations of law or disablement that results from the use of intoxicants or narcotics;
- I. Damage or disablement due to fire, flood or vandalism;
- J. Towing from a service station, garage or repair shop;
- K. A second or any subsequent tow for a single disablement;
- L. Mounting or removing of snow tires or chains;
- M. Disablement that results from the willful acts or actions of the operator of a **covered disabled auto**;
- N. Disablement that is not the result of a **covered emergency**;
- O. Disablement service necessary as a result of a disabled trailer that is being towed by a covered vehicle; or
- P. Disablement that has occurred on roads not regularly maintained, such as sand beaches, open fields, and areas designated as not passable due to construction.

### **UNAUTHORIZED SERVICE PROVIDER**

When service is rendered by a provider, other than **our** authorized service representative, **we** will only pay reasonable charges up to \$50.00 maximum for:

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

**ADDITIONAL TERMS**

**We** reserve the right to alter this Roadside Assistance Coverage upon renewal of **your** policy.

This coverage applies only in the United States and Canada.

**LIMITS OF LIABILITY**

**We** have no liability for any service or expense not specified in **our** agreement with **our** authorized service representative. Any additional services or expense incurred at **your** request must be paid by **you**. If a **covered auto** is towed to any place other than the nearest qualified repair facility, **you** will be responsible for any additional mileage charges incurred.

## **GENERAL PROVISIONS APPLICABLE TO ALL COVERAGE**

### **POLICY PERIOD**

This policy applies only to **accidents** and **losses** that occur during the policy period shown on the **declarations page**.

### **POLICY TERRITORY**

- A. This policy applies only to **accidents** and **losses** that occur: within any state, territory, or possession of the United States of America; or any province or territory of Canada; or while a **covered auto** or **trailer** shown on the **declarations page** is being transported between their ports. Except that when you have purchased Collision Coverage or Other Than Collision Coverage, and if a **covered auto** sustains physical damage in an **accident** or **loss** that occurs within the portion of the Republic of Mexico that lies within 75 miles of its border with the United States, the following shall apply:
1. If **we** would have paid the cost to repair the **covered auto** under **Part D** if that **accident** or **loss** had occurred within the policy territory described in **A.** above, **we** will pay the cost to repair the **covered auto**, subject to all of the limitations and other terms of **Part D** and this policy, if **you** return the **covered auto** to the United States and have the **covered auto** repaired within the United States. The coverage provided in this section A.1. applies when:
    - (a) **You** permanently reside in the United States; and
    - (b) The **auto** is not within the Republic of Mexico for more than 10 consecutive days from any single entry into the Republic of Mexico.
  2. The cost of towing, transportation, storage and salvage of the **covered auto** are not covered for such **accident** or **loss** under this policy and are the responsibility of the **Insured**.
  3. No other coverage shall be provided under **Part D** or this policy for that **accident** or **loss**.

**WARNING** - This limited extension of Other Than Collision Coverage and Collision Coverage for damage to a **covered auto** caused in an **accident** or **loss** that occurs in part of the Republic of Mexico does not satisfy the requirements of the law that requires operators of **autos** in Mexico to purchase Liability Coverage from an insurer licensed in the Republic of Mexico.

### **POLICY CHANGES**

This policy, **your** insurance application (which is made a part of this policy), the **declarations page**, and endorsements to this policy issued by **us** contain all the agreements between **you** and **us**. Subject to the following, the policy terms may not be changed or waived except by endorsement issued by **us**.

- A. The premium for each **auto** is based on information **we** have received from **you** or other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete, and **you** will notify **us** if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period, **we** may adjust **your** premium during the policy period, or take other appropriate action. To properly insure **your auto**, **you** must promptly notify **us** when:
1. **You** change **your** address;
  2. There is any change in the resident operators in the household.
  3. **You** acquire an additional or replacement **auto**;
  4. **You** or a **relative** get married or divorced;
  5. **You** or a **relative** obtains a driver's license or has a driver's license suspended, revoked or refused; or
  6. **You** or a **relative** completes an approved safe driver course or becomes qualified for a discount.
- B. Changes that may result in a premium increase or decrease are contained in **our** rates and rules. These include, but are not limited to, **you** or a **relative** obtaining a driver's license or operator's permit, or changes in:
1. The number, type, or use classification of **covered autos**;
  2. Operators **using covered autos**;
  3. An operator's marital status;
  4. The place of principal garaging of any **covered auto**;
  5. Coverage, deductibles, or limits of liability; or
  6. Rating territory or discount eligibility.

## CONFORMITY WITH STATE LAW

- A. Any provision of this policy that conflicts with a statute of the state of California shall be changed to conform to such law, and all remaining provisions shall remain unchanged.
- B. Any disputes as to the coverages provided or the provisions of this policy shall be governed by the laws of the state of California.

## TRANSFER

- A. This policy may not be transferred or assigned to another person without **our** written consent.
- B. If a named insured dies, this policy will provide coverage, subject to all of the duties, limitations and other terms of this policy, until the end of the policy period for:
  - 1. Any surviving spouse if resident in the same household as the named insured at the time of death; and
  - 2. The legal representative of the deceased named insured, but only with respect to the representative's legal duty to maintain or **use** the **covered auto**.
  - 3. The mailing of any notice required under this policy will be sufficient if mailed to the decedent's last known address in **our** records.

## FRAUD OR MISREPRESENTATION

- A. To determine **your** eligibility for coverage under this policy and to determine **your** premium, **we** relied upon the statements and representations **you** provided to **us**.
- B. **We** may void this policy if, when applying for this policy, **you** or an insured person:
  - 1. Made incorrect or false statements or representations to **us** with regard to any material fact or circumstance;
  - 2. Concealed or misrepresented any material fact or circumstance; or
  - 3. Engaged in fraudulent conduct.
- C. **We** may void this policy due to fraud or misrepresentation by any insured, even after the occurrence of an **accident** or **loss**. **We** may also void this policy due to an incorrect statement of a material fact in the application by **you**. This means that **we** will not be liable for any claims or damages that would otherwise be covered.
- D. **We** may deny coverage for an **accident** or **loss** if **you** or an insured person have knowingly and intentionally concealed or misrepresented any material fact or circumstance, or knowingly and intentionally engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

## PAYMENT OF PREMIUM

- A. If **your** initial premium payment is by check, draft, or any remittance other than cash, coverage under this policy is conditioned upon the check, draft, or remittance being honored upon presentment to the bank or other financial institution. If the check, draft, or remittance is not honored upon presentment, this policy may, at **our** option, be deemed void from its inception. This means that **we** will not be liable under this policy for any claims or damages that would otherwise be covered if the check, draft, or remittance had been honored upon presentment.
- B. **We** do not waive any of **our** rights if upon receipt of a premium payment after its due date **we** deposit **your** check so that **we** may issue any refund due and cancel the policy.

## CANCELLATION

- A. The named insured may cancel this policy by calling or writing **us**, and stating the future date that the named insured wishes the cancellation to be effective.
- B. **We** may cancel this policy by mailing a notice of cancellation to the named insured shown on the **declarations page** or to his or her last known address appearing in **our** records.
- C. If **we** cancel this policy at any time due to nonpayment of premium, notice of cancellation will be mailed at least 10 days before the effective date of cancellation.
- D. Notice of cancellation due to any reason other than nonpayment of premium will be mailed at least 20 days before the effective date of cancellation.
- E. **We** may only cancel for one or more of the following reasons:
  - 1. Nonpayment of premium.
  - 2. The driver's license or motor vehicle registration of the named insured or of any other operator who either resides in the same household or customarily operates an automobile insured under the policy has been under suspension or revocation during the policy period or, if the policy is a renewal, during its policy period or the 180 days immediately preceding its effective date.

3. Discovery of fraud by the named insured in pursuing a claim under the policy provided the insurer does not rescind the policy.
4. Discovery of material misrepresentation of any of the following information concerning the named insured or any resident of the same household who customarily operates an automobile insured under the policy:
  - a. Safety record.
  - b. Annual miles driven in prior years.
  - c. Number of years of driving experience.
  - d. Record of prior automobile insurance claims, if any.
  - e. Any other factor found by the commissioner to have a substantial relationship to the risk of loss.

Any insured who negligently misrepresents information described in this paragraph may avoid cancellation by furnishing corrected information to **us** within 20 days after receiving notice of cancellation and agreeing to pay any difference in premium for the policy period in which the information remained undisclosed.

5. A substantial increase in the hazard insured against.

This section shall not apply to any policy or coverage that has been in effect less than 60 days at the time notice of cancellation is mailed or delivered by **us** unless it is a renewal policy.

6. Any other reason permitted by law.

- F. With respect to cancellation, this policy is neither severable nor divisible. Any cancellation will be effective for all coverage for all persons and all **autos**.
- G. If this policy is canceled, coverage will not be provided as of the effective date and time of cancellation shown in the notice of cancellation.

#### **CANCELLATION REFUND**

- A. Upon cancellation, **you** may be entitled to a premium refund. However, **our** making or offering of a refund is not a condition of cancellation.
- B. If this policy is canceled, any refund due will be computed on a daily pro rata basis.

#### **NONRENEWAL**

- A. If **we** decide not to renew or continue this policy, **we** will mail notice of nonrenewal to the named insured shown on the **declarations page** at the last known address appearing in **our** records. Notice will be mailed at least 30 days before expiration of the policy.
- B. The reasons for which **we** may decide not to renew this policy, or for which **we** may assess a premium increase, includes, but is not limited to, the following:
  1. Accident involvement by an insured, and whether the insured is at fault in the accident.
  2. A change in, or addition of, an insured vehicle.
  3. A change in, or addition of, an insured under the policy.
  4. A change in the location of garaging of an insured vehicle.
  5. A change in the use of the insured vehicle.
  6. Convictions for violating any provision of the Vehicle Code or the Penal Code relating to the operation of a motor vehicle.
  7. Our payment due to a claim filed by an insured or a third party.

Some nonrenewals and premium increases may result from reasons that are not specified above if they are both lawful and not unfairly discriminatory.

#### **PROOF OF NOTICE**

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

#### **COVERAGE CHANGES**

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

#### **LEGAL ACTION AGAINST US**

- A. **We** may not be sued unless there is full compliance with all the terms of this policy.
- B. No one will have any right to make **us** a party to a lawsuit to determine the liability of an insured person.

C. If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

#### OUR RIGHT TO APPEAL

If an **Insured** or any other insurer does not appeal a judgment, any part of which could fall within coverage provided under this policy, **we** reserve the right to bring an appeal at **our** expense. **You** or an **Insured** must give **us** timely notice of any judgment to which this may apply. **We** will not be liable for more than the applicable limit of liability under this policy plus the reasonable attorney fees incurred as a result of any appeal **we** file. This does not create any duty upon **us** to file an appeal.

#### OUR SUBROGATION RIGHTS OR RIGHTS TO REIMBURSEMENT

A. In the event of any payment under this policy except for Medical Payments and Uninsured Motorists Coverage under Item **2.** of the definition of **uninsured motor vehicle** under **Part C**, **we** are entitled to all the rights of recovery that the insured person to whom payment was made has against another. That insured person must: sign and deliver to **us** any legal papers relating to that recovery; do whatever else is necessary to help **us** exercise those rights; and do nothing after an **accident** or **loss** to prejudice **our** rights.

However, **we** may not assert rights of recovery under **Part D** against any person who was **using a covered auto** with **your** express or implied permission other than a bailee.

B. When an insured person has been paid by **us** under the Medical Payments coverage and also recovers from another person, entity, or organization, the amount recovered will be held by the insured person in trust for **us** and reimbursed to **us** to the extent of **our** payment. This does not apply to Uninsured Motorists Coverage under Items **1.**, **3.**, and **4.** of the definition of **uninsured motor vehicle** under **Part C**.

C. If **we** seek recovery from a liable party, **you** shall authorize **us** to also seek recovery of any applicable deductible, and **you** agree to be bound by any settlement agreement entered into by **us** with the liable party or the outcome of any arbitration **we** enter into for those sums.

D. **We** have no right of recovery against an uninsured if **we** have consented, in writing, to a settlement between that uninsured, or its insurer, and an **Insured** under **Part C**. An **Insured** under **Part C** seeking benefits under **Part C** must give **us** at least 30 days notice of any settlement offer and an opportunity to protect **our** rights. This does not apply to underinsured motorist coverage.

#### ABANDONMENT

There can be no abandonment to **us** of any **auto** or damaged property to **us**.

#### TRANSFER OF TITLE

If **we** make a payment due to theft of an **auto** under **Part D** and **we** make a demand for title from the **owner** of that **auto**, the **owner** of that **auto** shall transfer that title to **us**.

#### JOINT AND INDIVIDUAL INTERESTS

If there is more than one named insured on this policy, any named insured may cancel or change this policy. The action of one named insured shall be binding on all persons provided coverage under this policy.

#### BANKRUPTCY

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

**IN WITNESS WHEREOF we have caused this policy to be executed and attested.**

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