

****THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.****

PENNSYLVANIA UNINSURED MOTORISTS COVERAGE SPLIT LIMITS (STACKED)

This endorsement changes certain parts of *your* Auto Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Auto policy is amended as follows:

PART II: YOUR LIABILITY COVERAGE

UNINSURED/UNDERINSURED MOTORISTS COVERAGE

The Uninsured/Underinsured Motorists Coverage section is replaced by the following:

This section tells *you* how *we* cover damages that *you* or a *family member* are entitled to collect from the owner or operator of a vehicle that doesn't have insurance.

What We Cover

If the Declarations Page indicates that Uninsured Motorists Coverage applies, *we'll* pay compensatory damages for *bodily injury* sustained by an *insured person* and caused by an *occurrence*, which that *insured person* is legally entitled to recover from the owner or operator of an *uninsured vehicle*. The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the *uninsured vehicle*. No judgment for damages is binding on *us* unless *we*:

- received reasonable notice of the suit that resulted in the judgment while it was still pending; and
- had a reasonable opportunity to protect *our* interests in the suit.

Who We Insure

Under this coverage *insured person* means:

- *you* or any *family member*;
- any other person occupying an auto covered by this policy; and
- any person for damages that person is entitled to recover because of *bodily injury* covered under this endorsement that is sustained by a person described immediately above.

Territory. This coverage applies to *occurrences* that happen anywhere in the United States, including Puerto Rico and other territories and possessions, or Canada. This coverage also applies to *occurrences* involving vehicles while being transported between their ports.

Definition of an uninsured vehicle. An *uninsured vehicle* is any motor vehicle or *trailer* that, at the time of the *vehicle accident*, is:

- not covered by a bond or policy for *bodily injury*;
- covered, but the company denies coverage, is or becomes insolvent, or is or becomes involved in insolvency proceedings; or
- a hit-and-run vehicle whose owner or operator can't be identified and which hits or which causes a *vehicle accident* resulting in *bodily injury* without hitting:
 - *you* or any *family member*;
 - a vehicle which *you* or any *family member* are occupying; or
 - an auto covered by this policy.

If there is no physical contact with the hit-and-run vehicle, the facts of the *occurrence* must be proved.

However, a motor vehicle or *trailer* is not considered an *uninsured vehicle* if it is:

- owned by or furnished or available for the regular use of *you* or any *family member*;
- owned or used by a self-insurer under any motor vehicle law that applies, except a self-insurer which is or becomes insolvent;

- operated on rails or crawler treads;
- designed mainly for use off public roads while not on public roads; or
- located for use as a residence.

DAMAGES WE'LL PAY

Your Uninsured Motorists Coverage applies to **all risks** of loss, except under certain circumstances listed in the next section. Only the *exclusions* listed here apply to this coverage.

DAMAGES WE WON'T PAY

Under this coverage we won't pay damages for *bodily injury* to any *insured person* who:

- was in or was struck by a vehicle (or *trailer* used with it) that *you* or a *family member* owns which does not have Uninsured Motorists Coverage;
- settles the claim without *our* written consent. However, this *exclusion* does not apply if such settlement does not prejudice *our* rights;
- was in a vehicle that *you* or a *family member* owns while being used to carry passengers or property for money (except in a share-the-expenses car pool);
- was driving or riding in a *snowmobile* that was rented or leased to a person or organization other than *you*;
- was taking part in a *snowmobile* race or practicing for one;
- was using the vehicle without a reasonable belief that the *insured person* was entitled to do so. This *exclusion* does not apply to a *family member* using an auto covered by this policy which is owned by *you*; or
- sustains damage for *noneconomic loss* if the limited tort alternative applies to the *insured person*, unless the *bodily injury* sustained is a *serious injury*. This *exclusion* does not apply if the *insured person* is injured in a motor vehicle insured under a commercial motor vehicle insurance policy.

This coverage will not apply directly or indirectly to benefit any insurer or self-insurer under any workers' compensation law, disability benefits law or any similar laws.

Punitive or Exemplary Damages. We won't provide Uninsured Motorists Coverage for punitive or exemplary damages.

ARBITRATION

If an *insured person* disagrees with *us* about:

- whether that person is entitled to recover damages; or
- the amount of damages recoverable;

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

Either party may make a written demand for arbitration. Arbitration shall be conducted in accordance with the provisions of the Pennsylvania Uniform Arbitration Act. This is the arbitration procedure:

Selecting arbitrators. Each side will select an arbitrator. The two arbitrators will select a third. If they can't agree within 30 days, either side can ask a judge in a court having jurisdiction to select one.

Arbitration procedure. The arbitration will take place in the county where the *insured person* lives unless both sides agree on another location, and will follow local rules of procedure and evidence. The three arbitrators will decide by simple majority whether, and how much, *we* have to pay. A decision agreed to by two of the arbitrators will be binding.

Paying for arbitration. Each side will pay the arbitrator it chooses. Both sides will contribute equally to the third arbitrator's pay and related expenses.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR LIABILITY COVERAGE

- **Uninsured/Underinsured Motorists** is deleted and replaced by the following:

For damages covered by *your* Uninsured Motorists Coverage, the sum of the *coverage limits* for each vehicle shown on the Declarations Page applicable to each person is the most *we'll* pay for all damages sustained by any one person in any one *occurrence*. Subject to this limit for each person, the sum of the *coverage limits* for each vehicle shown on the Declarations Page applicable to each accident is the most *we'll* pay for all damages resulting from any one *occurrence*. This is the most *we'll* pay regardless of the number of:

- *insured persons*;
- claims made;
- vehicles or premiums shown on the Declarations Page; or
- vehicles involved in the accident.

We won't make a duplicate payment under this coverage for the same elements of loss covered under *your* Liability, Medical Expenses, or Underinsured Motorists Coverage.

We won't 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. This includes all payments made to an *insured person's* attorney either directly or as part of the payment made to the *insured person*.

We won't 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, disability benefits law or any similar laws.

WHAT TO DO AFTER AN OCCURRENCE OR LOSS

The following is added to **Step Three: Submit All Claims**

Uninsured Motorists Coverage

If the accident involved an *uninsured vehicle*, *you* must promptly send *us* copies of the legal papers if a suit is brought.

GENERAL CONDITIONS

1. **OTHER INSURANCE** is deleted and replaced by the following:

If there is other applicable insurance available that is similar to the insurance provided under this endorsement, the following priorities of recovery apply:

- First:** The Uninsured Motorists Coverage applicable to the vehicle the *insured person* was in at the time of the accident.
- Second:** The policy providing Uninsured Motorists Coverage to the *insured person* as a named insured or *family member*.

When there is applicable insurance available under the First priority:

- the limit of liability applicable to the vehicle the *insured person* was in under the policy in the First priority shall first be exhausted; and
- the maximum recovery under all policies in the Second priority shall not exceed the amount by which the highest limit for any one vehicle under any one policy in the Second priority exceeds the limit applicable under the policy in the First priority.

When there is no applicable insurance available under the First priority, the maximum recovery under all policies in the Second priority shall not exceed the highest applicable limit for any one vehicle under any one policy.

If two or more policies have equal priority, the insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the cost of processing the claim.

If we are the insurer against whom the claim is first made, we will pay, subject to the limit of liability shown on the Declarations Page for Uninsured Motorists Coverage, after we and all other contributing insurers agree:

- whether the *insured person* is legally entitled to recover damages from the owner or operator of an *uninsured vehicle*; and
- as to the amount of damages.