

# YOUR PERSONAL AUTO POLICY

## QUICK REFERENCE

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### DECLARATIONS

Your Name and Address  
 Your Covered Auto  
 Policy Period  
 Coverage and Amounts of Insurance

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# PERSONAL AUTO POLICY

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## AGREEMENT

In return for payment of premiums and fees in amounts we require and subject to all of the terms and conditions of this policy, we agree to provide the coverages in the amounts you have selected. These selections are shown in your Declarations, which are a part of this policy. These documents in addition to any applicable endorsements, your application, and any coverage selection or rejection forms, make up your entire policy. The selected coverages in this policy apply only to "loss" while this policy is in force.

## DEFINITIONS

1. Throughout this policy, "you" and "your" mean:
  - a. The Named Insured shown in the Declarations; and
  - b. The spouse if a resident of the same household.

If the spouse ceases to be a resident of the same household during the policy period, the spouse will be considered "you" and "your" under this policy during a period of separation in contemplation of divorce and only until the effective date of another policy listing the spouse as a named insured.
2. "We", "us" and "our" mean the Company providing this insurance.

Other words and phrases are defined. They are in quotation marks when used.
3. "Auto" means a land motor vehicle designed primarily to be driven on public roads. This does not include vehicles operated on crawler treads or rails.
4. "Bodily injury" means physical injury to the body, including sickness or disease, resulting in impairment of physical condition or resultant death, of any person which results directly from a "loss" or accident covered under this policy and occurring while the policy is in force.
5. "Business" includes any trade, profession or occupation, course of employment, job or commercial use, whether full or part-time, except:
  - a. Farming;
  - b. Ranching; or
  - c. A business use that has been disclosed to us, endorsed to the policy and a premium paid.
6. "Business day" means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.
7. "Deductible" means the amount of "loss" to be paid by the "insured". We pay for covered "loss" above the "deductible" amount shown in the Declarations.
8. "Diminution in value" means the real or perceived loss in market or resale value which results from a "loss".
9. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.
10. "Insured" means one who is described as entitled to protection under each coverage.
11. "Loss" means sudden, direct and accidental damage to or theft of property.
12. "Newly acquired auto":
  - a. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:
    - 1) A "private passenger auto"; or
    - 2) A pickup, utility vehicle or van, for which no other insurance policy provides coverage, that has a Gross Vehicle Weight Rating of 25,000 pounds or less; and
      - a) Is not used primarily for the delivery or transportation of goods, materials or supplies, other than samples;
      - b) Is used for farming or ranching.
  - b. Coverage for a "newly acquired auto" which replaces a vehicle shown in the Declarations is provided as described below.
    - 1) For any coverage provided in this policy except Coverage for Damage

to "Your Covered Auto", a "newly acquired auto" will have the same coverage as the vehicle it replaced. Coverage begins on the date you become the owner without your having to ask us to insure it.

- 2) Coverage for Damage to "Your Covered Auto" for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply to a replacement vehicle, you must ask us, within 20 days after you become the owner, to:
  - a) Add Coverage For Damage To "Your Covered Auto"; or
  - b) Continue Coverage For Damage To "Your Covered Auto" on the replacement vehicle after the 20-day period has elapsed.

If you ask us to insure a "newly acquired auto" which replaces a vehicle shown in the Declarations after the 20-day period described above has elapsed, Coverage For Damage To "Your Covered Auto" we provide for such replacement vehicle, except provided in **b.2)**, will begin at the time you request the coverage.

c. Coverage for a "newly acquired auto" which is in addition to any vehicle shown in the Declarations is provided as described below.

- 1) The "newly acquired auto" will have the broadest coverage we now provide for any covered vehicle shown in the Declarations. Coverage begins on the date you become the owner.
- 2) For any coverage provided in this policy to apply to such additional vehicle, you must ask us to insure it within 20 days after you become the owner.

If you ask us to insure a "newly acquired auto" which is in addition to any vehicle shown in the Declarations after the 20-day period described above has elapsed, any coverage we provide for a "newly acquired auto" will begin at the time you request the coverage.

13. "Non owned auto" means any "private passenger auto" you do not own while used as a temporary substitute for "your covered auto" which is out of normal use because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. "Loss"; or
  - e. Destruction.

Coverage will be provided for up to seven days if "your covered auto" is out of service due to **a. through e. above**

14. "Occupying" means:
  - a. In;
  - b. Upon; or
  - c. Getting in, on, out or off.
15. "Personal vehicle sharing" means any business facilitating the sharing of a vehicle with any group or individual. "Personal vehicle sharing" begins from the moment any group or individual has care, custody and control of the vehicle until the moment the vehicle is returned to its owner.
16. "Private passenger auto" means a licensed and registered four-wheel motor vehicle designed for private passenger use, including a:
  - a. Van; or
  - b. Pickup truck having four or six wheels that has a Gross Vehicle Weight Rating of 14,000 pounds or less.

A "private passenger auto" does not include any:

- a. All-terrain vehicles;
- b. Golf carts;
- c. Tractors or farm equipment;
- d. Vehicles operated on crawler treads or rails; or
- e. Vehicles unable to reach and sustain a maximum speed of at least 55 miles per hour.

For purposes of this policy, a "private passenger auto" shall be deemed to be owned by a person if leased:

- a. Under a written agreement to that person; and
- b. For a continuous period of at least six months.

17. "Property damage" means physical damage to tangible property. This includes destruction and loss of its use caused solely by a covered accident while this policy is in force.
18. "Rated household member" means a person, living in your household at the time of a "loss", provided the following applies:
  - a. The person is listed in the Drivers/Rated Household Members section of the Declarations; and
  - b. The person is not excluded by endorsement or listed as a Non-rated Person; and

- c. The person is not a "relative".
19. "Regular driver" means any person not living in your household and not listed in the Drivers/Rated Household Members section of the Declarations nor endorsed onto the policy who frequently uses or has regular access to "your covered auto".
20. "Relative" means a person who is:
- A "family member"; and
  - Listed in the Drivers/Rated Household Members section of the Declarations; and
  - Not excluded by endorsement or listed as a Non-rated Person; and
  - Living in your household or is temporarily living elsewhere, such as a "family member" temporarily away at school.
21. "Ride sharing activity" means the use of any vehicle to provide transportation of persons in connection with a "transportation network company".
- "Ride sharing activity" begins from the moment the user signs onto a transportation network company's application or system as a driver indicating their availability to accept a passenger assignment and until the driver signs off from the application or system and includes all activity related to picking up any passenger(s) and all activity transporting any passenger(s), whether or not a passenger is "occupying" the vehicle.
22. "Trailer" means a device or vehicle, including a farm wagon or a farm implement, designed to be drawn by a "private passenger auto" insured under this policy on public roads and not being used:
- For any "business" or display purposes;
  - To carry passengers in any manner.
23. "Transportation network company" means a corporation, partnership, sole proprietorship, or other entity operating in this state that uses a digital network to connect a transportation network company rider to a transportation network company driver for a prearranged ride. "Transportation network company" does not include an entity arranging nonemergency medical transportation under a contract with the state or a managed care organization for individuals qualifying for Medicaid or Medicare.
24. "Your covered auto" means:
- The vehicle(s) described in the Declarations.
  - A "newly acquired auto";
  - Any owned "trailer" while attached to a vehicle insured under this policy; or
  - A "Non owned auto".

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## DUTIES AFTER AN ACCIDENT OR "LOSS"

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FAILURE BY ANY PERSON SEEKING COVERAGE TO COMPLY WITH ANY OR ALL OF THE DUTIES NOTED BELOW MAY RESULT IN OUR REFUSAL TO EXTEND ANY PROTECTION UNDER THIS POLICY FOR ANY ACCIDENT OR "LOSS".

- A. Any person seeking coverage under this policy must:
- Notify us promptly of any accident or "loss".
  - Include in your notice as much of this information as possible:
    - The facts of the car accident or "loss", including time, location, accident circumstances, and license plate numbers for all vehicles involved in the accident or "loss";
    - Your name and address, and the names and addresses of witnesses and individuals involved in the car accident or "loss";
- c. If you or a person seeking coverage cannot identify the owner or operator of a vehicle involved in the accident or "loss", or if theft or vandalism has occurred, you or the person seeking coverage must report the accident or "loss" to the police within 24 hours or as soon as practicable.
- The information which you give to us must be truthful and accurate.
- Promptly complete and deliver to us any forms we send to you.
  - Promptly deliver to us all legal papers dealing with any claims or suits.
  - Assist us and, if applicable, the defense counsel chosen for you by us, with any claim or suit.

6. Attend hearings and trials as we or a court may require.
  7. Take reasonable steps to protect damaged property or "your covered auto" insured under this policy from further loss or damage. We will pay reasonable expenses incurred in providing this protection. You must provide receipts and estimates in support of your expenses. A person seeking coverage must make the damaged property or "your covered auto" available to us for inspection and/or appraisal before its repair or disposal.
- B.** Any person seeking coverage under this policy must assist us in the investigation of a claim by taking some or all of the following actions at our option:
1. If injured, submit to examinations by physicians we select as often as we require and at our expense. The injured person must grant us authority, at our request, to obtain copies of all wage, medical, dental or other health care provider records. The medical, wage, dental and other health-care provider records must be reasonably related to the accident or "loss".
  2. Provide access to any data and/or records, from any source and/or recorded by any method or means, that we reasonably request for use in the evaluation or defense of any claim or suit and permit us to make copies of such data or

records. This includes allowing us to retrieve data from any event data recorder in the vehicle involved in the accident or "loss". However, this does not include federal income tax returns unless:

- a. Ordered by a court to produce such tax returns; or
- b. The claim involves:
  - 1) a fire loss; or
  - 2) a loss of profits or income.
3. Submit to an examination under oath. A parent or guardian may be present during any examination under oath of a minor;
4. Allow us to take a recorded or written statement;
5. Provide a statement under oath. A parent or guardian may be present during any statement under oath of a minor; or
6. Do all of the above, as often as we require.

Such person or organization must answer questions asked by anyone we name, and sign copies of the answers. We may require each person or organization answering questions to answer the questions with only that person's or organization's legal representative, or representatives and no other person present, except a parent or guardian may be present during any examination or statement under oath of a minor.

## PART A – LIABILITY COVERAGE

### INSURING AGREEMENT – LIABILITY COVERAGE

If a premium amount is shown in the Declarations and you pay the premium for this coverage:

- A.** We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident arising out of the:
1. Ownership;
  2. Maintenance or use; or
  3. Loading or unloading;
- of "your covered auto". Damages include prejudgment interest awarded against the "insured".
- B.** We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability,

we will pay all defense costs we incur, with attorneys of our choice.

- C.** Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements. We may settle or defend any claim or suit as we think appropriate.
- D.** We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.
- E.** Our duty to settle or defend does not include any sanctions awarded or assessed against an "insured" due to intentional misrepresentation or concealment committed by that "insured" during the course of any lawsuit, associated discovery, or other proceedings.
- F.** We will:

1. Pay on behalf of an "insured" up to \$100 for the cost of bail bonds required because of an accident, including related traffic law violations. The accident must result in "bodily injury" or "property damage" covered under this policy.
  2. Pay on behalf of an "insured" premiums on appeal bonds and bonds to release attached property in any suit we defend.
- Although paying such premiums, we are not required to apply for or furnish any bonds under (F.1.) or (F.2.).
3. Pay on behalf of an "insured" interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment or deposit in court the amount for which we were liable under this policy.
  4. Pay on behalf of an "insured" up to \$200 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
  5. Pay on behalf of an "insured" other reasonable expenses incurred at our request, other than loss of earnings.

These payments will not reduce the limit of liability shown in the Declarations.

- G. A "private passenger auto" and attached "trailer" are considered one vehicle for Part A.

### DEFINITIONS – LIABILITY COVERAGE

"Insured" as used in Part A means:

- A. You, any "relative" or "rated household member" for the ownership, maintenance or use of "your covered auto" or "trailer".
- B. Any person using "your covered auto" or "trailer" within the scope of your express or implied permission.
- C. For "your covered auto", any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under Part A.
- D. For any "private passenger auto" or "trailer", other than "your covered auto", any other person or organization but only with respect to legal responsibility for acts or omissions of you, any "relative" or "rated household member" for whom coverage is afforded under Part A. This Provision (D.) applies only if the person or organization does not own or hire the "private passenger auto" or "trailer".

### EXCLUSIONS – LIABILITY COVERAGE

This coverage does not apply to:

1. "Bodily injury" or "property damage" caused by an intentional act or omission of any "insured".

This Exclusion (1.) precludes coverage for all "insureds" under the policy regardless of whether the person seeking coverage participated in any way in the intentional acts or omissions.

If we are required by law to provide "bodily injury" or "property damage" liability coverage for a "loss" excluded in Exclusion (1.), coverage will be limited to the minimum amount(s) required by the compulsory or financial responsibility law of the state in which this policy was written.

2. "Bodily injury" or "property damage" for any "insured" who knowingly operates a vehicle without a valid driver's license or permit.

If we are required by law to provide "bodily injury" or "property damage" liability coverage for a "loss" excluded in Exclusion (2.), coverage will be limited to the minimum amount(s) required by the compulsory or financial responsibility law of the state in which this policy was written.

3. "Property damage" caused by any "insured":

- a. To a vehicle that is owned or operated by, or in the custody of, any "insured"; or
- b. To any other property that is owned by or in the custody of any "insured" or any one "occupying" "your covered auto".

This Exclusion (3.) does not apply to a rented home or a rented private garage

4. "Bodily injury" or "property damage" arising out of the use of "your covered auto" while leased or rented to others in exchange for a fee. However, this Exclusion (4.) does not apply if you, a "relative", or a "rated household member" lends "your covered auto" to another for reimbursement of operating expenses only.

5. "Bodily injury" to any fellow employee of an "insured" injured in the course of his employment if such injury arises out of the use of a vehicle in any "business" of the employer. However, this Exclusion (5.) does not apply to you, a "relative", or a "rated household member" who is legally liable for "bodily injury" to fellow employees.

6. "Bodily injury" to an employee of any "insured" while engaged in employment. How-

ever, it does cover an employee at your home who is not, or is not required to be, covered by any workers' compensation law.

7. "Bodily injury" or "property damage" arising out of the use of any vehicle used:

- a. To carry persons for a fee; or

This Exclusion (7.a.) does not apply to motor vehicles used in shared-the-expense car pools.

- b. For the delivery or transport of food or products for a fee, including but not limited to pizza, mail, newspapers or magazines.

However, this Exclusion (7.) does not apply to you or any family member unless the primary usage of the vehicle is to carry property for a fee.

8. Any person for any occurrence while employed or otherwise engaged in any "business" of:

- a. Selling;  
b. Repairing;  
c. Servicing;  
d. Storing; or  
e. Parking;

vehicles designed for use on public roads. This includes road testing and delivery.

This Exclusion (8.) does not apply to the ownership, maintenance or use of "your covered auto" by any of the following persons up to the minimum limits of liability specified by the financial responsibility law of the state where the "loss" occurred:

- a. You;  
b. Any "relative" or "rated household member"; or  
c. Any partner, agent or employee of you, a "relative", or "rated household member".

9. "Bodily injury" or "property damage" arising from the maintenance or use of a vehicle without the owner's express or implied permission.

10. "Bodily injury" or "property damage" arising from the maintenance or use of a vehicle by a person residing in your household that is neither a "relative" or a "rated household member".

This Exclusion (10.) does not apply up to the minimum amount(s) required by the compulsory or financial responsibility law of the state in which this policy was written.

11. "Bodily injury" to any person protected under nuclear energy liability insurance. This Exclusion (11.) applies even if that insurance has been exhausted.

12. For any "bodily injury" to:

- a. You;  
b. Any other "insured" under the policy; or  
c. Any "relative" or "rated household member";

except to the extent of the minimum limits of Liability Coverage required by Texas Transportation Code Chapter 601, entitled "Texas Motor Vehicle Safety Responsibility Act.

13. The United States of America or any of its agencies. It also does not apply to any employee of the United States of America or any of its agencies while such person is acting within the scope of his or her office or employment and the provisions of the Federal Tort Claims Act apply.

14. "Bodily injury" or "property damage" assumed by an "insured" under any contract or agreement.

15. "Bodily injury" or "property damage" arising out of the ownership, maintenance or use of any vehicle which:

- a. Has fewer than four wheels;  
b. Has crawlers or treads; or  
c. Is designed mainly for use off public roads.

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

- a. Owned by you; a "relative" or "rated household member"; or  
b. Furnished or available for you, a "relative" or "rated household member's" regular use.

17. "Bodily injury" or "property damage" arising out of the ownership, maintenance or use of any vehicle while used in any competitive event, including but not limited to drag racing, or in practice or preparation for such an event, including any:

- a. Racing contest or event;  
b. Speed contest or event; or  
c. Stunt, performance or demolition activity.

This Exclusion (17.) includes, but is not limited to, drag racing, street racing, or side-by-side racing, whether or not such activity is prearranged or organized.

18. "Bodily injury" or "property damage" arising out of the use of "your covered auto" by any

person who is a "regular driver" of "your covered auto", who is not listed in the Declarations prior to a "loss".

19. "Bodily injury" or "property damage" arising out of the operation of equipment or machinery not listed in the Declarations.
20. "Bodily injury" or "property damage" arising out of the use of any vehicle for snow or ice removal.
21. "Bodily injury" or "property damage" incurred while towing an insured-owned "trailer" that is not designed for use with that vehicle.
22. "Bodily injury" or "property damage" arising out of the use of "your covered auto" while it is being used in connection with any "ride sharing activity".
23. "Bodily injury" or "property damage" arising out of the use of "your covered auto" while it is being used in connection with any "personal vehicle sharing" activity. However, this Exclusion (23.) does not apply if you, a "relative", or a "rated household member" lends "your covered auto" to another for reimbursement of operating expenses only.

#### **LIMIT OF LIABILITY – LIABILITY COVERAGE**

- A.** Subject to the limit for each person, the limit of liability shown in the Declarations for each accident for Bodily Injury Liability is our maximum limit of liability for all damages, including, but not limited to, damages for care, loss of services, loss of society, comfort, companionship, loss of consortium, or death, arising out of or deriving from "bodily injury" resulting from any one accident. Any derivative claims will be paid under the same person's limit of liability from which the claim derives.

The limit of liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all "property damage", including its loss of use, resulting from any one accident.

This is the most we will pay regardless of the number of:

1. "Insureds";
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles, policies or claimants involved in the auto accident.

- B.** If Liability Coverage is payable on behalf of any person other than you, a "relative", or "rated household member":

1. That part of the limit of liability shown in the Declarations for each person for Bodily Injury Liability that does not exceed the minimum limits required by the financial responsibility law of the state in which this policy was written is our maximum limit of liability for all damages, including, but not limited to, damages for care, loss of services, loss of society, comfort, companionship, loss of consortium, or death, arising out of or deriving from "bodily injury" sustained by any one person in any one accident.
2. Subject to this limit for each person, that part of the limit of liability shown in the Declarations for each accident for Bodily Injury Liability that does not exceed the minimum limits required by the financial responsibility law of the state in which this policy was written is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.
3. That part of the limit of liability shown in the Declarations for each accident for Property Damage Liability that does not exceed the minimum limits required by the financial responsibility law of the state in which this policy was written is our maximum limit of liability for all "property damage" resulting from any one accident.

This is the most we will pay regardless of the number of:

1. "Insureds";
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles, policies or claimants involved in the auto accident.

- C.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and any other coverage under this policy.

- D.** A "private passenger auto" and attached "trailer" are considered one vehicle. Therefore, the limit of liability will not be increased for any one accident involving a "private passenger auto" which has an attached "trailer".

- E.** If we are required by law to provide "bodily injury" or "property damage" liability coverage for a "loss" that is excluded or otherwise not covered, coverage will be limited to the minimum amount(s) required by the compulsory or financial responsibility law of the state in which this policy was written.



## OUT OF STATE COVERAGE

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

- A. If the state or province has:
  - 1. A financial responsibility or similar law specifying limits of liability for "bodily injury" or "property damage" higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
  - 2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required

minimum amounts and types of coverage.

- B. No one will be entitled to duplicate payments for the same elements of loss.

## OTHER INSURANCE

If there is any other applicable liability insurance or bond, 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. We will pay reasonable and necessary attorney fees and costs as our limit of liability bears to the total of all applicable liability limits. However, any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance.

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## PART B – MEDICAL PAYMENTS COVERAGE

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### INSURING AGREEMENT – MEDICAL PAYMENTS COVERAGE

If a premium amount is shown in the Declarations and you pay the premium for this coverage:

We will pay reasonable charges for expenses incurred for "medically necessary" services or funeral costs incurred within one year:

- 1. Due to accidental "bodily injury" suffered by an "insured"; or
- 2. If an "insured" is struck, as a pedestrian, by an "auto" designed for use on public roads or a trailer of any type.

### DEFINITIONS – MEDICAL PAYMENTS COVERAGE

The following definitions apply to this Part B:

- A. "Insured", when used in this part, means a "relative", or "rated household member":
  - 1. While "occupying"; or
  - 2. As a pedestrian when struck by; any "auto" or trailer of any type.
- B. "Medically necessary" means a medical service or supply that a prudent physician would provide for the purpose of preventing, diagnosing, or treating an illness, injury, disease, or symptom in a manner that is:
  - 1. In accordance with generally accepted standards of medical practice; and
  - 2. Clinically appropriate in terms of type, frequency, extent, site, and duration.

### EXCLUSIONS – MEDICAL PAYMENTS COVERAGE

We do not provide Medical Payments Coverage for any "insured" for "bodily injury":

- 1. Sustained while "occupying" any vehicle having fewer than four wheels.

This Exclusion (1.) includes any vehicle with crawlers or treads.
- 2. Occurring from or related to the use of any vehicle by any person:
  - a. To carry persons for a fee; or  

This Exclusion (2.a.) does not apply to motor vehicles used in shared-expense car pools.
  - b. For the delivery or transport of food or products for a fee, including but not limited to pizza, mail, newspapers or magazines.

However, this Exclusion (2.) does not apply to you or any family member unless the primary usage of the vehicle is to carry property for a fee.

- 3. Sustained while "occupying" "your covered auto" while rented or leased to others for a fee. However, this Exclusion (3.) does not apply if you or any family member lends "your covered auto" to another for reimbursement of operating expenses only.
- 4. Suffered by any person while "occupying" any vehicle or "trailer" that is being used as a residence or premises.
- 5. Occurring during the course of employment if benefits are payable under any workers' compensation, disability benefit or any other similar or required laws.

6. Suffered by any person while "occupying", or when struck by, any vehicle other than "your covered auto" for which coverage has been purchased and the premium paid and is:
  - a. Owned by you; or
  - b. Furnished or available for your regular use.
7. Sustained by any person while "occupying", or when struck by, any vehicle other than "your covered auto" for which coverage has been purchased and the premium paid and is:
  - a. Owned by a "relative" or a "rated household member"; or
  - b. Furnished or available for the regular use of a "relative" or a "rated household member".

This Exclusion (7.) does not apply to you.
8. Caused by or as a consequence of:
  - a. Discharge of a nuclear weapon (even if accidental);
  - b. War (declared or undeclared);
  - c. Civil war;
  - d. Insurrection; or
  - e. Rebellion or revolution.
9. From or as a consequence of nuclear hazard, whether controlled or uncontrolled or however caused, meaning any:
  - a. Nuclear reaction or discharge;
  - b. Radiation; or
  - c. Radioactive contamination.
10. Sustained while "occupying", maintaining or using any vehicle in any competitive event, including but not limited to drag racing, or in practice or preparation for such an event, including any:
  - a. Racing contest or event;
  - b. Speed contest or event; or
  - c. Stunt, performance or demolition activity.

This Exclusion (10.) includes but is not limited to, drag racing, street racing, or side-by-side racing, whether or not such activity is prearranged or organized.
11. Caused by an intentional act of any "insured", or at the direction of any "insured".
12. Sustained while operating a vehicle while that "insured" is knowingly operating a vehicle without a valid driver's license or permit.
13. For any person for any occurrence while employed or otherwise engaged in any "business" of:
  - a. Selling;
  - b. Repairing;
  - c. Servicing;
  - d. Storing; or
  - e. Parking;

vehicles designed for use on public roads. This includes road testing and delivery.

This Exclusion (13.) does not apply to the ownership, maintenance or use of "your covered auto" by any of the following persons:

  - a. You;
  - b. Any "relative";
  - c. "Rated household member"; or
  - d. Any partner, agent or employee of you, a "relative", or a "rated household member".
14. Arising out of the operation of equipment or machinery not listed in the Declarations.
15. Resulting from the use of any vehicle for snow or ice removal.
16. Sustained as a result of the use of a vehicle by a person or persons specifically excluded by endorsement.
17. For that amount of any expense for medical services which is paid or payable under any other:
  - a. Individual, or group accident, disability or hospitalization insurance;
  - b. Automobile or premises medical payments insurance expenses;
  - c. Medical or surgical reimbursement plan; or
  - d. Personal Injury Protection coverage.
18. For massage or acupuncture.
19. Sustained while "occupying" "your covered auto" while it is being used in connection with any "ride sharing activity".
20. Sustained while "occupying" "your covered auto" when being used in any "personal vehicle sharing" usage. However, this Exclusion (20.) does not apply if you or any family member lends "your covered auto" to an-

other for reimbursement of operating expenses only.

### **LIMIT OF LIABILITY – MEDICAL PAYMENTS COVERAGE**

- A.** The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:
1. "Insureds";
  2. Claims made;
  3. Vehicles or premiums shown in the Declarations; or
  4. Vehicles involved in the accident.
- B.** No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any other coverage under this policy.

### **OTHER INSURANCE**

- A.** If there is other applicable auto medical payments insurance we will pay only our share of the "loss". Our share is the proportion that our limit of liability bears to the total of all applicable limits.
- B.** We will pay only the insured benefit over and above the amount of other collectible auto Medical Payments Coverage in any "loss" involving:
1. Use of an "auto" other than "your covered auto";

2. You, a "relative" or "rated household member" if hit, while a pedestrian, by any "auto" or "trailer"; or
3. "Bodily injury" to you or a "relative" or "rated household member".

### **RIGHT OF REIMBURSEMENT**

If we make payment under this Part **B**, we will be entitled, to the extent of our payment, to reimbursement from the proceeds of any settlement or judgment recovered from, or on behalf of, any responsible party.

To protect our right of reimbursement, we may notify persons or organizations that may be legally responsible for payment of expenses for medical or funeral services to or on behalf of the "insured".

### **ASSIGNMENT OF PAYMENTS**

- A.** An "insured" may assign, in writing, payments of medical expenses for services provided to the "insured" that are covered under Part **B** of this policy to a physician or other health care provider that furnished such services to the "insured".
- B.** If we receive an "insured's" written assignment of such payments, we will pay the medical expenses covered under Part **B** directly to the physician or other health care provider that furnished the services to the "insured".

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## **PART C – UNINSURED MOTORISTS COVERAGE**

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### **INSURING AGREEMENT – UNINSURED MOTORISTS COVERAGE**

If a premium amount is shown in the Declarations and you pay the premium for this coverage:

- A.** We will pay compensatory damages, except punitive and exemplary damages, which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of "bodily injury":
1. Sustained by an "insured"; and
  2. Caused by an accident or "loss".

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle".

We are not bound by any settlement with or judgment against an owner or operator of an "uninsured motor vehicle" without our written consent, nor are we bound by any judgement against an owner or operator of an "uninsured

motor vehicle" arising out of a lawsuit brought without our written consent.

- B.** A person seeking Uninsured Motorists Coverage must:
1. Promptly send us copies of the legal papers if a suit is brought; and
  2. Promptly notify us in writing by certified or registered mail of a tentative settlement involving the "uninsured motor vehicle" and a third party; and
  3. Allow us at least 30 days to advance payment to that "insured" in an amount equal to the tentative settlement.

### **DEFINITIONS – UNINSURED MOTORISTS COVERAGE**

The following definitions apply to this Part C:

- A.** "Insured" in this part means:
1. You, a "relative" or a "rated household member";

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

**B. "Uninsured motor vehicle" means a land motor vehicle or trailer of any type:**

1. To which no bodily injury liability bond or policy applies at the time of the accident or "loss".
2. To which a bodily injury liability bond or policy applies at the time of the accident or "loss" but the amount paid for "bodily injury" under that bond or policy to an "insured" is not enough to pay the full amount the "insured" is legally entitled to recover as damages.
3. Which is a hit-and-run vehicle whose owner or operator cannot be identified and which hits:
  - a. An "insured";
  - b. A vehicle which an "insured" is occupying; or
  - c. "Your covered auto".

Actual physical contact with the hit-and-run vehicle is required.

A report must be made to the police within 24 hours of the accident or "loss". The facts of the accident must be proven by reliable evidence. The burden of proof will be on the injured party. We will only accept competent evidence other than the testimony of a person making claims under this or any similar coverage.

4. To which a bodily injury liability bond or policy applies at the time of the accident or "loss" but the bonding or insuring company:
  - a. Denies coverage; or
  - b. Is or becomes insolvent within four years of the date of the accident or "loss".

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

- a. Owned by or furnished or available for the regular use of an "insured";
- b. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent;

- c. Owned by any governmental unit or agency;
- d. Operated on rails or crawler treads;
- e. Designed mainly for use off public roads while not on public roads; or
- f. While located for use as a residence or premises.

### **EXCLUSIONS – UNINSURED MOTORISTS COVERAGE**

**A. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained:**

1. By an "insured" while "occupying", or when struck by, any motor vehicle owned by that "insured" which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
2. By any "relative" or "rated household member" while "occupying", or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.
3. By any person who does not report the accident to the police within 24 hours if a hit-and-run vehicle is involved.

**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 with a third party without our written consent and such settlement prejudices our right to recover payment.
2. Using a motor vehicle or "trailer" without the express or implied permission of the owner or outside the scope of the owner's express or implied permission.

This Exclusion (B.2.) does not apply to a "relative" or "rated household member" using "your covered auto" which is owned by you.

3. While "occupying" "your covered auto" when it is being used:
  - a. To carry persons or property for compensation or a fee, including any "ride sharing activity", "personal vehicle sharing" or "transportation network company" usage, whether or not a passenger is "occupying" the vehicle.
  - b. For the delivery or transport of food or products for compensation or a

fee, including but not limited to pizza, mail, newspapers or magazines.

This Exclusion (B.3.) does not apply to a share-the-expense car pool.

4. Arising out of the ownership, maintenance, or use of any vehicle or "trailer" while used in the course and scope of employment, or engaged in any "business".
5. While "occupying", maintaining, or using any vehicle in any competitive event, including but not limited to drag racing, or in practice or preparation for such an event, including any:
  - a. Racing contest or event;
  - b. Speed contest or event; or
  - c. Stunt, performance or demolition activity.

This Exclusion (5.) includes but is not limited to, drag racing, street racing, or side-by-side racing, on any public or private highway or roadway, whether or not such activity is prearranged or organized.

6. From any vehicle designed mainly for usage off public roads.
7. While "your covered auto" is being driven, operated or used by any person who resides in your household and such person is not listed or endorsed on the policy prior to a "loss" or by a "regular driver".
8. While "occupying" a vehicle with less than four wheels.

This Exclusion (8.) also applies to any vehicle with crawlers or treads.

- C. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:
1. Workers' compensation;
  2. Unemployment compensation;
  3. Non-occupational or occupational disease; or
  4. Disability benefits.

- D. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.

#### **LIMIT OF LIABILITY - UNINSURED MOTORISTS COVERAGE**

- A. The limit of liability shown in the Declarations 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 in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from that accident.

This is the most we will pay regardless of the number of:

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

- B. If "bodily injury" is sustained by an "insured" other than you, any "relative" or "rated household member":

1. That part of the limit of liability shown in the Declarations for each person insured for Uninsured Motorists Coverage that does not exceed the minimum limits required by the financial responsibility law of the state in which this policy was written 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 that accident; and
2. Subject to this limit for each person, that part of the limit of liability shown in the Declarations for each accident for Uninsured Motorists Coverage that does not exceed the minimum limits required by the financial responsibility law of the state in which this policy was written is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.

This is the most we will pay regardless of the number of:

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

- C. No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any other coverage under this policy.

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

- E. We will not pay for any element of loss if a person is entitled to receive payment for the

same element of "loss" under any of the following or similar laws:

1. Workers' compensation law; or
  2. Disability benefits law.
- F.** With respect to coverage under **(B.2.)** of the definition of "uninsured motor vehicle", we will reduce the "insured's" total damages by any amount available to that "insured", under any bodily injury liability bonds or policies applicable to the "uninsured motor vehicle", that such "insured" did not recover as a result of a settlement between that "insured" and the insurer of an "uninsured motor vehicle". However, any reduction of the "insured's" total damages will not reduce the limit of liability for this coverage.

This paragraph **(F.)** shall not apply if we advance payment to the "insured" in an amount equal to the tentative settlement with the insurer of the "uninsured motor vehicle".

- G.** Our rights do not apply with respect to coverage under **(B.2.)** of the definition of "uninsured motor vehicle" if we:
1. Have been given prompt written notice of a tentative settlement between an "insured" and any third party involving an "uninsured motor vehicle"; and
  2. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.
- H.** If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:
1. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Uninsured Motorists Coverage; and
  2. We also have a right to recover the advanced payment.
- I.** Any vehicle and attached trailer are considered one vehicle. Therefore, the limit of liability will not be increased for any one accident involving a vehicle which has an attached trailer.

#### **OTHER INSURANCE**

- A.** If there is other similar 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.
- B.** Any insurance we provide with respect to a vehicle you do not own shall be excess over any other applicable auto insurance that may apply.

#### **ARBITRATION – UNINSURED MOTORISTS COVERAGE**

- A.** If we and an "insured" do not agree:
1. Whether that "insured" is legally entitled to recover damages; or
  2. As to the amount of damages which are recoverable by that "insured",

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

Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

- B.** Each party will:
1. Pay the expenses it incurs; and
  2. Bear the expenses of the third arbitrator equally.
- C.** Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by at least two of the arbitrators will be binding as to:
1. Whether the "insured" is legally entitled to recover damages; and
  2. The amount of damages. This applies only if the amount does not exceed the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which this policy was written. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

#### **PART E – GENERAL PROVISIONS**

In **OUR RIGHT TO RECOVER PAYMENT** provision, item **B.** is replaced by the following for this Part **C.** only:

- B.** If an "insured" first elects or receives uninsured motorist benefits under this policy and later elects or receives uninsured motorist benefits under a different policy, then that person must:
1. Hold all related benefits in trust for us until it is determined whether we are entitled to

reimbursement of all or some of our benefit payments; and

2. Reimburse us to the extent of the benefit payment for which we are entitled.

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## PART D – COVERAGE FOR DAMAGE TO "YOUR COVERED AUTO"

### INSURING AGREEMENT – COVERAGE FOR DAMAGE TO "YOUR COVERED AUTO"

If a premium amount is shown in the Declarations and you pay the premium for this coverage:

**A.** We will pay for sudden, direct and accidental "loss" to "your covered auto" "including factory installed equipment, minus any applicable "deductible" shown in the Declarations for each separate "loss". We will pay for "loss" to "your covered auto" caused by:

1. Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for that "your covered auto".
2. "Collision" only if the Declarations indicate that Collision Coverage is provided for that "your covered auto".

**B.** We may pay for "loss" in money or repair or replace the damaged or stolen property. We may, at any time before the "loss" is paid or the property replaced, at our expense, return any stolen property to:

1. You; or
2. The address shown in this policy.

We may use parts of like kind and quality to repair or replace your property, which may include non-original equipment manufacturer parts if we choose.

If we return stolen property we will pay for any damage resulting from the theft. We may keep, at our option, all or part of the property at an agreed or appraised value.

If we pay for the "loss" in money, our payment will include the applicable sales tax for the damaged or stolen property, if required by law.

If you and we both agree, we will waive the applicable "deductible" shown in the Declarations for a "loss" to glass if the glass is repaired rather than replaced.

**C.** Except for emergency repairs, which are required to minimize additional loss, we reserve the right to inspect all damages prior to initiating repair. We require a complete estimate and invoices for all emergency repairs.

### DEFINITIONS – COVERAGE FOR DAMAGE TO "YOUR COVERED AUTO"

The following definitions apply to this Part D:

**A.** "Collision" means the upset of "your covered auto" or its impact with another vehicle or object.

**B.** Other Than "Collision" means "loss" caused by the following:

1. Missiles or falling objects;
2. Fire;
3. Theft or larceny;
4. Explosion or earthquake;
5. Windstorm;
6. Hail, water or flood;
7. Malicious mischief or vandalism;
8. Riot or civil commotion;
9. Contact with bird or animal; or
10. Breakage of glass.

If breakage of glass is caused by a "collision", you may elect to have it considered a "loss" caused by "collision".

### EXCLUSIONS – COVERAGE FOR DAMAGE TO "YOUR COVERED AUTO"

We do not provide Collision or Other Than Collision Coverage for:

**1.** "Loss" to "your covered auto" which occurs while it is being used:

**a.** To carry persons for a fee.

This Exclusion **(1.a.)** does not apply to a share-the-expense car pool.

**b.** For the delivery or transport of food or products for a fee, including but not limited to pizza, mail, newspapers or magazines.

However, this Exclusion **(1.)** does not apply to you or any "family member" unless the primary usage of the vehicle is to carry property for a fee.

**2.** Any damage arising out of the ownership, maintenance or use of any vehicle while used in any competitive event, including but not limited to drag racing, or in practice or preparation for such an event, including any:

**a.** Racing contest or event;

**b.** Speed contest or event; or

**c.** Stunt, performance or demolition activity.



This Exclusion **(2.)** includes but is not limited to, drag racing, street racing, or side-by-side racing, whether or not such activity is prearranged or organized.

3. Damage due and confined to:
  - a. Wear and tear;
  - b. Freezing;
  - c. Mechanical or electrical breakdown or failure; or
  - d. Road damage to tires.

This Exclusion **(3.)** does not apply if the damage results from the total theft of "your covered auto".

4. "Loss" due to or as a consequence of:
  - a. Radioactive contamination;
  - b. Discharge of any nuclear weapon (even if accidental);
  - c. War (declared or undeclared);
  - d. Civil war;
  - e. Insurrection; or
  - f. Rebellion or revolution.

5. Paint damage or discoloration as a result of environmental, chemical, or animal exposures, including but not limited to:

- a. Pollution;
- b. Air condition and quality;
- c. Solvents;
- d. Salt; or
- e. Leaves, pods, seeds or tree sap;

that is not caused by "collision" or vandalism.

6. "Loss" to any electronic equipment that reproduces, receives or transmits audio, visual or data signals. This includes, but is not limited to:

- a. Radios and stereos;
- b. Tape decks;
- c. Compact disc systems;
- d. Navigation systems;
- e. Internet access systems;
- f. Personal computers;
- g. Video entertainment systems;
- h. Telephones;
- i. Televisions;
- j. Two-way mobile radios;
- k. Scanners; or
- l. Citizens band radios.

This Exclusion **(6.)** does not apply to electronic equipment that is factory installed in "your covered auto" by the auto manufacturer.

7. "Loss" to tapes, records, discs, data or other media used with equipment described in Exclusion **(6.)**.
8. "Loss" to equipment designed or used for the detection or location of radar or laser.
9. "Loss" due to confiscation or destruction by governmental or civil authorities of any vehicle. This Exclusion **(9.)** does not apply to the interests of Loss Payees in "your covered auto".

However, if you are convicted in a case brought against you under the Texas Controlled Substances Act or the federal Controlled Substances Act, we will not pay for any "loss" to any vehicle that is seized by federal or state law enforcement officers as evidence in such case.

10. "Loss" to the facilities or equipment used with a "newly acquired auto" or any vehicle used as a temporary substitute for "your covered auto". Facilities or equipment include but are not limited to:

- 1) Cooking, dining, plumbing or refrigeration facilities;
- 2) Awnings or cabanas; or
- 3) Any other facilities or equipment used with a "trailer", recreational trailer, camper body, or motor home.

11. "Loss" to any "non owned auto" when used by you, a "relative" or a "rated household member" without the owner's express or implied permission.

12. "Loss" to any custom furnishings or equipment in or upon any "private passenger auto", or "trailer". Custom furnishings or equipment include but are not limited to:

- a. Special carpeting or insulation;
- b. Furniture or bars;
- c. Height-extending roofs;
- d. Body, engine, exhaust or suspension enhancers;
- e. Winches, or anti-roll or anti-sway bars;
- f. Custom grilles, louvers, side pipes, hood scoops or spoilers;
- g. Custom wheels, tires or spinners; or
- h. Custom chrome, murals, paintwork, decals or other graphics.

This Exclusion **(12.)** does not apply to a cap, cover or bedliner in or upon any "your covered auto" which is a pickup. However,

such items are limited to a maximum payment of \$500.

13. "Loss" to any "non owned auto" being maintained or used by any person while employed or otherwise engaged in any "business" of:

- a. Selling;
- b. Repairing;
- c. Servicing;
- d. Storing; or
- e. Parking;

vehicles designed for use on public roads. This includes road testing and delivery.

14. "Loss" to, or loss of use of, a "non owned auto", or any vehicle used as a temporary substitute for "your covered auto", rented by:

- a. You;
- b. A "relative"; or
- c. A "rated household member";

if a rental vehicle company is precluded from recovering such "loss" or loss of use, from you, that "relative" or that "rated household member", pursuant to the provisions of any applicable rental agreement or state law.

15. "Loss" to "your covered auto" due to "diminution in value".

This Exclusion (15.) also applies to "diminution in value" of any optional equipment we insure.

16. Any vehicle for which insurance:
- a. Is afforded under a nuclear energy liability insurance contract; or
  - b. Would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability.

17. "Loss" to any vehicle as a result of or caused by or at the direction of you, a "relative", a "rated household member", or the owner of a "non owned auto" with the intent to cause "loss".

18. "Your covered auto" while it is leased or rented to others in exchange for a fee, usage. However, this Exclusion (18.) does not apply if you, a "relative", or a "rated household member" lends "your covered auto" to another for reimbursement of operating expenses only.

19. "Loss" to any vehicle that is not "your covered auto" as well as "loss" to any other property the "insured" may rent or use, including loss of its use.

20. "Loss" to any vehicle that does not meet the definition of "private passenger auto" or "your covered auto" under this policy with less than four wheels or has crawlers or treads.

21. "Loss" to any vehicle that is subject to bailment, conditional sale or consignment.

22. "Loss" to or a consequence of "your covered auto" caused by the theft of or failure to return "your covered auto" by a person to whom you have given your express or implied permission to use "your covered auto".

23. "Loss" to or a consequence of "your covered auto" resulting from the use of any vehicle for snow or ice removal;

24. "Loss" to or a consequence of "your covered auto" arising out of or during its use for the transportation of any explosive substance, flammable liquid, or similar hazardous materials.

This Exclusion (24.) does not apply to either of the following:

- a. Transportation to your ordinary household or farm activities; or
- b. Explosive substances or flammable liquids, or similar hazardous materials required for the normal operation of "your covered auto".

25. "Loss" to "your covered auto" or any "non-owned auto" that results from the use of a person or persons specifically excluded by endorsement.

26. Towing and labor costs for "your covered auto".

27. "Loss" to "your covered auto" which occurs while under the care, custody or control of a "regular driver".

28. "Loss" to "your covered auto" which occurs while it is being used by any person in connection with any "ride sharing activity".

29. "Your covered auto" while it is being used in connection with any "personal vehicle sharing" activity. However, this Exclusion (29.) does not apply if you, a "relative", or a "rated household member" lends "your covered auto" to another for reimbursement of operating expenses only.

## LIMIT OF LIABILITY – COVERAGE FOR DAMAGE TO "YOUR COVERED AUTO"

- A.** Our limit of liability for "loss" to "your covered auto" will be the lowest of:
1. The actual cash value of the stolen or damaged vehicle; or
  2. The amount necessary to repair or replace the damaged property. This amount:
    - a. Will not exceed the prevailing competitive price charged in the area where the property will be repaired including parts, labor and materials; and
    - 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, parts or equipment furnished by the original equipment manufacturer (OEM) or equipment from other sources, including non-original equipment manufacturers. These parts, when available, will be at least equal in terms of fit, quality, performance and warranty to the parts they replace.
- B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and any other coverage under this policy.
- C.** For any "loss" or damages to which:
1. Uninsured Motorists Coverage of this policy or similar coverage from another policy; and
  2. This coverage;
- both apply, you may choose the coverage from which damages will be paid. If neither coverage is sufficient to pay the damages or "loss", you may recover under both coverages subject to the following:
1. You will pay the higher "deductible". However, you do not have to pay both "deductibles"; and
  2. You may not recover more than the actual damages or "loss".
- D.** If "loss" to "your covered auto" is also payable under the Liability coverage of another policy issued by us, we will pay for such "loss" only once, either under this policy or under the Liability section of the other policy.
- E.** We will pay, without a separate "deductible", for loss to the keys to "your covered auto" as a result of a covered "loss".

We will not pay for the cost to re-code a key fob or similar device.

A maximum limit of \$250 per occurrence applies.

This is not an additional payment in the event of a total "loss" or total theft of the vehicle.

- F.** We will pay up to a reasonable and customary daily rate for the cost of storage of "your covered auto" in the event of a "loss" to "your covered auto" for which coverage is provided under this Part **D**. Our maximum liability for the cost of storage of "your covered auto" shall not exceed \$400.
- G.** We will not pay for any obligation assumed by any "insured", registered owner or legal owner for any of the following costs:
1. Estimating fees;
  2. Teardown charges not authorized by us;
  3. Handling fee;
  4. Negotiating charges;
  5. Administrative fees;
  6. Higher than reasonable, for the area, storage fees; or
  7. Any other charges which are not part of the necessary cost of repairing the vehicle.

## NO BENEFIT TO BAILEE

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

## OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the "loss", we will pay only our share of the "loss". Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a "non-owned auto" or any vehicle used as a temporary substitute for "your covered auto" shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the "non-owned auto" or any vehicle used as a temporary substitute for "your covered auto";
2. Any other applicable physical damage insurance; or
3. Any other source of recovery applicable to the "loss".

## RIGHT OF REIMBURSEMENT

If we make payment under this Part **D** for a covered "loss" and the "loss" was caused by an operator who is not listed as a Driver/Rated Household Member in the Declarations, we will deduct

from that payment amount the premium that would have been charged had the operator been included as a Driver/Rated Household Member in the Declarations from the effective date of the policy. If a specific rate cannot be determined or is unavailable for the individual, the maximum rate will be charged.

This provision does not apply to "loss" to:

1. "Your covered auto" when used by an operator with your express or implied permission; or
2. A "non owned auto" when used by an operator with the owner's express or implied permission.

#### **APPRAISAL – COVERAGE FOR DAMAGE TO "YOUR COVERED AUTO"**

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

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## **PART E – GENERAL POLICY PROVISIONS**

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### **BANKRUPTCY**

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

### **CHANGES TO YOUR POLICY**

- A. This policy contract, your insurance application (which is made a part of this policy as if attached hereto), the Declarations, any coverage selection or rejection forms, and all endorsements to this policy, contain all of the agreements between you and us. Subject to the following, its terms may not be changed or waived except by endorsement issued by us.
- B. The premium for this policy is based on information we received from you and other sources. You agree to cooperate with us in determining if this information is correct and complete, and to notify us promptly if information changes during the policy period. You must report "newly acquired autos" in the time frame outlined in the definition of "newly acquired auto".
- C. If this information is incomplete, incorrect or if there is a change to the information used to develop the policy premium, you agree we may adjust your premium and your policy information accordingly. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:
  1. The number, type or use classification of insured vehicles;
  2. Operators using insured vehicles;
  3. Licensed drivers and/or persons who have obtained a driver's permit;

4. The place of principal garaging of insured vehicles; or
5. Coverage, "deductible" or limits.

- D. Your policy can also be changed by endorsement. Should any change result in an adjustment to your premium, we will make the adjustment consistent with our manual rules.

Some changes you request may require your signature. If a change requires your signature, such a change will become effective when a proper signature is obtained from you.

If we accept your requested changes to the policy, we will issue a Declarations or amendment thereto.

- E. If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This Paragraph (E.) does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
  1. A subsequent edition of your policy; or
  2. An Amendatory Endorsement.

### **FRAUD OR MISREPRESENTATION**

- A.** This policy was issued in reliance on the accuracy and truthfulness of the information you gave us on your insurance application. We may void coverage under this policy if you or a person covered by the policy has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, at the time of application.

In accordance with Chapter 705, Subchapter A, section 705.004(b) of the Ins. Code, this section applies if it is shown at trial that the matter misrepresented:

1. Was material to the risk; or
2. Contributed to the contingency or event on which the policy became due and payable.

- B.** In accordance with Chapter 705, Subchapter A of the Ins. Code, we may deny coverage under this policy if you, a "relative", a "rated household member" or a person covered by the policy has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

- C.** In accordance with Chapter 705, Subchapter A, sections 705.003(b) of the Ins. Code, no coverage will be provided to any person who has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

- D.** We may void this policy for fraud or misrepresentation even after there has been an accident or "loss"; this means that we will not be liable for claims or damages that would have been covered by the policy.

In accordance with Chapter 705, Subchapter A, section 705.003(b) of the Ins. Code, this section applies if it is shown at trial that the matter misrepresented:

1. Was fraudulently made;
2. Misrepresented a fact material to the question of our liability under the policy; and
3. Misled us and accused us to waive or lose a valid defence to the policy.

- E.** If we pay for an accident or "loss" under this policy, which we discover was obtained through fraud, concealment or misrepresentation by you, a "relative", a "rated household member" or a person covered by this policy, we reserve the right, to recoup such payment(s).

## LEGAL ACTION AGAINST US

**NK 100 TX (08 16)**

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- A.** No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Part **A**, no legal action may be brought against us until:

1. We agree in writing that the "insured" has an obligation to pay; or
2. The amount of that obligation has been finally determined by judgment after trial.

- B.** No person or organization has any right under this policy to bring us into any action to determine the liability of an "insured".

## OUR RIGHT TO RECOVER PAYMENT

- A.** If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another we shall be subrogated to that right. That person shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after "loss" to prejudice them.

However, our rights in this Paragraph **(A.)** do not apply under Part **D**, against any person using "your covered auto" with your express or implied permission.

- B.** If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:

1. Hold in trust for us the proceeds of the recovery; and
2. Reimburse us to the extent of our payment.

## POLICY PERIOD AND TERRITORY

- A.** This policy applies only to accidents and "losses" which occur:

1. During the policy period as shown in the Declarations; and
2. Within the policy territory.

- B.** The policy territory is:

1. The United States of America, its territories or possessions;
2. Puerto Rico; or
3. Canada.

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

## PAYMENT OF PREMIUM

If your initial premium payment is by check, draft, or any remittance other than cash, coverage under this policy is conditional upon the check, draft, or other remittance being honored upon present-

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ment. If the check, draft, or other remittance is not honored upon presentment, this policy may be deemed void from its inception. This means that we will not be liable under this policy for any claims or damages, which would otherwise be covered if the check, draft or remittance had been honored upon presentment. We do not waive any of our rights if we elect to resubmit a check for payment.

If you tender a check to us for full or partial payment of your premium, other than your initial payment, and the check is returned to us for any reason, including but not limited to, insufficient funds, a closed account, or a stop payment, a service charge will be added to your account balance.

We will not renew your policy if you owe us premium on any expiring policy. We will not apply any payments by you for any renewal premium until your expiring policy is paid in full. Any payments received by us will be applied to the expiring policy before the renewal policy.

## TERMINATION

### A. Cancellation

This policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declaration may cancel by:
  - a. Returning this policy to us; or
  - b. Giving us advance written notice of the date cancellation is to take effect.
2. We may cancel this policy by mailing a notice to the named insured shown in the Declarations at the address shown in this policy:
  - a. We will provide at least 10 days' notice:
    - 1) If cancellation is for nonpayment of premium; or
    - 2) If notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy; or
  - b. At least 20 days' notice in all other cases.
3. After this policy is in effect for 60 days, or is a renewal or continuation policy, we will cancel only:
  - a. For nonpayment of premium; or
  - b. If your driver's license or that of:
    - 1) Any driver who lives with you; or

- 2) Any driver who customarily uses "your covered auto";

has been suspended or revoked. This must have occurred during:

- 1) The policy period; or
  - 2) The 180 days immediately preceding the original effective date of the policy; or
- c. If the policy was obtained through material misrepresentation; or
  - d. For any other reason permitted under applicable state law.

### B. Nonrenewal

If we decide not to renew or continue this policy, we will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 20 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

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

### C. Automatic Termination

This insurance will terminate under the following conditions if:

1. You obtain insurance from another company for "your covered auto". Any similar insurance we provide for "your covered auto" will terminate as of the date and time you obtain other insurance;
2. A "your covered auto" is sold, transferred, or given as a gift to another person. This termination of coverage occurs as soon as possession is taken of the "your covered auto" whether or not the transaction is complete or title has been effectively transferred; or
3. You fail to pay your renewal premium when due to renew the policy. The policy will terminate on its expiration date.

### D. Other Termination Provisions

1. We may deliver any notice instead of mailing it. Proof of mailing, including but not limited to proof of electronic mailing, of any notice shall be sufficient proof of notice.
2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.
3. The effective date of cancellation stated in the notice shall become the end of the policy period.

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

- A. Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
  1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; and
  2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use "your covered auto".
- B. This Coverage will only be provided until the end of the policy period.
- C. If "your covered auto" is sold or ownership is transferred, coverage will terminate as to that "your covered auto" when the transferee takes possession of it. This termination of coverage occurs whether or not the transaction is complete or title has been effectively transferred.

#### **TWO OR MORE AUTO POLICIES**

If two or more auto policies have been issued to you by us and apply to the same accident or "loss", the maximum limit of our liability under all policies shall not exceed the highest applicable limit of liability under any single policy. This is regardless if separate premiums have been paid.

#### **FINANCIAL RESPONSIBILITY FILING**

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required.

In the event we make a payment that is required by a financial responsibility filing which we would not have had to make under the terms of this pol-

icy, you agree to reimburse us. You must reimburse us to the extent of our payment.

#### **JOINT AND INDIVIDUAL INTERESTS**

You may cancel or change this policy. Your action shall be binding on all individuals covered under this policy. Any notices, premium refunds or correspondence to you shall be binding on all individuals covered under this policy.

#### **DISCLOSURE OF POLICY LIMITS**

If there is a request to disclose policy limits at the time of a claim, we may, at our discretion, disclose the limits.

#### **PAYMENT OF FIRST-PARTY CLAIMS**

- A. Within 15 days after we receive written notice of a claim, we will:
  1. Acknowledge receipt of a claim. If our acknowledgement of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgement.
  2. Begin an investigation of the claim.
  3. Specify the information that the person making the claim must provide in accordance with the Duties After An Accident Or "Loss" provisions of the policy.  
  
We may request more information if, during the investigation of the claim, such additional information is necessary.
- B. After we receive all information we request, we will notify the person making the claim, in writing, whether the claim will be paid or has been denied, or whether more time is needed. We will notify the person making the claim:
  1. Within 15 "business days"; or
  2. Within 30 days if we have reason to believe the loss resulted from arson.
- C. If we deny the claim or require more time for processing the claim, we must:
  1. Give the reasons for denying the claim; or
  2. Give the reasons we require more time to process the claim. However, we must either approve or deny the claim within 45 "business days" after the date we notify the person making the claim that more time is needed.
- D. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines throughout this

Section are extended for an additional 15 days.

- E. If we notify the person making the claim that we will pay the claim, or part of the claim, we will pay the claim within five "business days" after we notify that person.
- F. If payment of the claim or part of the claim requires the performance of an act by the person making the claim, we will pay the claim within five "business days" after the date that person performs the act.

**NOTICE OF SETTLEMENT OF LIABILITY CLAIMS**

- A. We will notify the named insured, in writing, of any initial offer to compromise or settle a claim against an "insured" under Part A – Liability Coverage of this policy. We will give the named insured notice within 10 days after the date the offer is made.
- B. We will notify the named insured, in writing, of any settlement of a claim against an "insured" under Part A – Liability Coverage of this policy. We will give the named insured notice within 30 days after the date of the settlement.

**SPECIAL PROVISIONS**

This Company is licensed to operate under Chapter 912 of the Texas Insurance Code, as amended, and such statutes shall apply to and from a part of this policy the same as if written or printed upon, attached or appended hereto.

This policy is issued subject to the constitution and by-laws and all amendments thereto of the company, which shall form a part of this policy.

**MUTUALS – MEMBERSHIP AND VOTING NOTICE**

The insured is notified that by virtue of this policy, the insured is a member of the Unitrin County Mutual Insurance Company, and is entitled as is lawfully provided in the charter, constitution, or by-laws, to only one vote regardless of the number of policies owned either in person or by proxy in any or all meetings of said Company. The Annual Meetings are held in its Home Office in Dallas, Texas, on the second Tuesday of January, in each year, at ten o'clock a.m.

**MUTUALS – PARTICIPATION CLAUSE WITHOUT CONTINGENT LIABILITY**

No Contingent Liability: This policy is non-assessable. The policyholder is a member of the Company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined.

**WE AGREE TO MAKE AVAILABLE TO YOU AN INSTALLMENT PAYMENT PLAN AS DESCRIBED IN THE TEXAS AUTOMOBILE RULES AND RATING MANUAL.**

**In Witness Whereof**, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.