

UNINSURED /UNDERINSURED MOTORISTS INSURANCE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM
NON-RESIDENT TEXAS AUTO POLICY

SCHEDULE

<u>Coverage</u>	<u>Limits of Insurance</u>	<u>Premium</u>
Bodily Injury	Each Person Each Accident	Each Person Each Accident
Property Damage	Each Accident	
Combined Liability	Each Accident	

Designated Person: _____

Description of **Covered Auto** (Check appropriate box)

Any auto owned by you.

Any private passenger auto owned by you.

Any auto to which are attached dealer's license plates issued to you.

Any auto designated in the declarations of the policy (by the letters "UM/UIM" and an auto ownership of which is acquired during the policy period by you as a replacement therefore.

A. COVERAGE

We will pay damages which an **insured** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** because of **bodily injury** sustained by an **insured**, or **property damage** caused by an **accident**. The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the **uninsured motor vehicle**. Any judgment for damages arising out of a suit brought without our written consent is not binding on us. If we and you do not agree as to whether or not a vehicle is actually uninsured, the burden of proof as to that issue shall be on us.

B. EXCLUSIONS

- We do not provide Uninsured/Underinsured Motorist Insurance for any person:
 - For **bodily injury** sustained while **occupying**, or when struck by any motor vehicle or trailer of any type owned by you, a **designated person** or a **family member** of either which is not insured for this coverage under this policy.
 - If that person or the **legal representative** settles the claim without our consent.
 - For the first \$250 of the amount of damage to the property of that person as the result of any one **accident**.
 - Using a vehicle without a reasonable belief that the person is entitled to do so.
This exclusion does not apply to you, any **designated person** or a **family member** of either while using a **covered auto**.
 - For **bodily injury** or **property damage** resulting from the intentional acts of that person.
- This coverage shall not apply directly or indirectly to benefit:
 - Any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
 - Any insurer of property.

C. WHO IS INSURED

1. You and any designated person and any family member of either.
2. Any other person occupying a covered auto.
3. Any person or organization for damages that person or organization is entitled to recover because of **bodily injury** sustained by a person described in 1. or 2. above.

D. LIMIT OF INSURANCE

When separate Limits of Insurance for **bodily injury** and **property damage** liability are shown in the Declarations or in the Schedule for this coverage the Limit of Insurance for each person for **bodily injury** is our maximum Limit of Insurance for all damages for **bodily injury** sustained by any one person in any one auto **accident**. subject to this limit for each person, the Limit of Insurance in dedicated for each "**accident**" for **bodily injury** liability is our maximum Limit of Insurance for all damages for **bodily injury** resulting from any one auto **accident**. The Limit of Insurance indicated for each "**accident**" for **property damage** liability is our maximum Limit of Insurance for all damages resulting from any one auto **accident**.

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

1. **Insureds**;
2. Claims made;
3. Policies or bonds applicable;
4. **Covered autos**;
5. Vehicles involved.

Subject to this maximum, our limit of liability will be the lesser of:

1. The difference between the amount of a covered **insured's** damages for **bodily injury** or **property damage** and the amount paid or payable to that covered insured for such damages, by or on behalf of persons or organizations who may be legally responsible; and
2. The applicable limit of liability for this coverage.

In order to avoid insurance benefits payments in excess of actual damages sustained, subject only to the limits set out in the Schedule or in the Declarations and other applicable provisions of this coverage, we will pay all covered damages not paid or payable under any workers' compensation law, disability benefits law, any similar law, auto medical expense coverage or Personal Injury Protection Coverage.

SPECIAL PROVISION FOR PROPERTY DAMAGE

Any **property damage** loss to which the PHYSICAL DAMAGE COVERAGE of this policy (or similar coverage from another policy) and this coverage both apply, you may choose the coverage from which damages will be paid. You may recover under both coverages, but only if:

1. Neither one by itself is sufficient to cover the loss;
2. You pay the higher deductible amount (but you do not have to pay both deductibles); and
3. You will not recover more than the actual damage.

E. CONDITIONS

The CONDITIONS of the policy are changed for UNINSURED/UNDERINSURED MOTORISTS INSURANCE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved, and
 - b. Promptly send us copies of the legal papers if a **suit** is brought,
 - c. Take reasonable steps after loss to protect the **covered auto** and its equipment from further loss. We will pay reasonable expenses incurred to do this,
 - d. Permit us to inspect and appraise the damages property before its repair or disposal.
2. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is changed by adding the following:

If we make any payment and the **insured** recovers from another party, the **insured** shall hold the proceeds in trust for us and reimburse us to the extent of our payment. However, we may not claim the amount recovered from an insurer of any underinsured motor vehicle.
3. The reference in OTHER INSURANCE to "other collectible insurance" is replaced by the following:

If there is other applicable similar insurance we will pay only our share of the loss. Our share is the proportion that our Limit of Insurance bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible insurance.

Any payment under this coverage to or for an insured will reduce any amount that insured is entitled to recover for the same damages under the Liability Coverage of the policy.

F. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS Section and have special meaning for UNINSURED/UNDERINSURED MOTORIST INSURANCE;

1. **"Family member"** means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. **"Designated person"** means an individual named in the schedule. By such designation, that person has the same coverage as you.
3. **"Occupying"** means in, upon, getting in, or, out or off.
4. **"Covered auto"** means an auto:
 - a. Owned or leased by you or
 - b. While temporarily used as a substitute for an owned **covered auto** that has been withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction.

Liability coverage of this policy must apply to the **covered auto**.

Covered auto includes autos (described in a. and b. above) for which Uninsured/Underinsured Motorists Insurance has not been rejected in writing.

5. **"Property damage"** means injury to or loss of use of or destruction of:
 - a. A **covered auto**, or
 - b. Property owned by you, a **designated person**, or any **family member** of either while contained in a covered auto; or
 - c. Property owned by any other person occupying the **covered auto** while contained in the **covered auto**; and
 - d. Any property owned by you, a **designated person** or **family member** of either while contained in any **auto** not owned, but being operated by you, a **designated person** or any **family member** of either.
6. **"Uninsured motor vehicle"** means a land motor vehicle or trailer of any type:
 - a. To which no liability bond or policy applies at the time of the **accident**.
 - b. Which is a hit-and-run vehicle whose operator or owner cannot be identified. The vehicle must hit an insured, an insured **covered auto** or a vehicle an insured is **occupying**.
 - c. To which a liability bond or policy applies at the time of the **accident**, but the bonding or insuring company denies coverage or is or becomes insolvent.
 - d. Which is an underinsured motor vehicle. An underinsured motor vehicle is one to which a liability bond or policy applies at the time of the accident but its limit of liability either:
 - (1) is not enough to pay the full amount the covered **insured** is legally entitled to recover as damages; or
 - (2) has been reduced by payment of claims to an amount which is not enough to pay the full amount the covered **insured** is legally entitled to recover as damages.

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

- a. Owned by or furnished or available for the regular use of you, a **designated person** or a **family member** of either.
- b. Owned or operated by a self-insurer under any applicable motor vehicle law.
- c. Owned by any governmental body unless the operator of the vehicle is uninsured and there is no statute imposing liability for damage because of **bodily injury** or **property damage** on the governmental body for a amount not less than the Limit of Insurance for this coverage.
- d. Operated on rails or crawler treads.
- e. Designed mainly for use off public roads while not on public roads.
- f. While located for use as a residence or premise.