

**TEXAS  
UNINSURED MOTORISTS**

**The UNINSURED AND UNDERINSURED MOTORISTS section is deleted and replaced by:**

**UNINSURED AND UNDERINSURED MOTORISTS**

**ADDITIONAL DEFINITIONS FOR THESE COVERAGES**

The following definitions apply to this coverage only:

**"COVERED AUTOMOBILE"** means:

1. an **automobile** described in the Declarations to which the Automobile Liability coverage of this policy applies and for which a specific premium is charged.
2. an **automobile** newly acquired by **you**, if:
  - a. it replaces a vehicle described in the Declarations; or
  - b. it is an additional **automobile**, but only if:
    - i. **you** notify **us** within 30 days of acquisition of **your** election to make this and no other policy issued by **us** applicable to the **automobile**; and
    - ii. **you** pay any additional premium required by **us**.
3. a **substitute automobile**.
4. a **motor vehicle**, while being operated by **you** or a **relative** with the owner's permission, which is not owned by, furnished to, or made available for the regular use to **you** or any **relative** in **your** household.

**EXCEPTION:** A **motor vehicle** owned by, furnished to, or made available for regular use to any **relative** in **your** household is covered when operated by **you**.

**"SUBSTITUTE AUTOMOBILE"** means a **motor vehicle** not owned by **you** or any resident of the same household and which is used with the owner's permission to replace for a short time a **covered automobile**. The **covered automobile** has to be out of use for servicing or repair or because of breakdown, **loss** or destruction.

**"PROPERTY DAMAGE"** as used in this endorsement means injury to, destruction of or loss of use of:

1. **your covered automobile**, not including a temporary substitute;
2. any property owned by **you**, a **relative**, or any other person **occupying** a **covered automobile**, which property is contained in the **covered automobile**, or
3. any property owned by **you** or a **relative** which is contained in an **automobile** not owned, but being operated, by **you** or any **relative**.

**"UNINSURED MOTOR VEHICLE"** means:

1. a **motor vehicle** for which, at the time of the accident, there is no insurance policy or other financial

security applicable to the owner, or operator, or any other liable person or organization.

2. a **motor vehicle** which is an underinsured motor vehicle. An underinsured motor vehicle is one which has a liability bond or insurance policy in effect at the time of the accident, but its limit of liability either:
  - a. is not enough to pay the full amount the injured person covered under this section is legally entitled to recover as damages; or
  - b. has been reduced by payment of claims to an amount the injured person covered under this section is legally entitled to recover as damages.
3. a **motor vehicle** which has a bodily injury liability bond or insurance policy in effect at the time of the accident, but the company writing such bond or policy denies coverage, or is or becomes insolvent.
4. a hit and run **motor vehicle** whose operator or owner can not be identified and which causes **bodily injury** or **property damage** to a person covered under this section as the result of striking that person or a **motor vehicle** which that person is **occupying** at the time of the accident.

The term **uninsured motor vehicle** does not include:

1. a **covered automobile** or **motor vehicle** regularly furnished or available for the use of **you** or any **relative**;
2. an **automobile** owned and operated by a self-insurer as defined in the applicable motor vehicle financial responsibility law, compulsory insurance law, motor carrier law, or any other similar applicable law, except a self-insurer which is or becomes insolvent; or
3. an **automobile** owned by the United States of America, Canada, a state, a political subdivision of any such government, or an agency of any of the foregoing, unless the operator of the vehicle is uninsured, and there is no statute imposing liability for any **bodily injury** or **property damage** on the owner of the vehicle for an amount not less than the limit of liability for this coverage.

## **UNINSURED MOTORISTS COVERAGE**

This coverage is provided only if a premium is shown in the Declarations.

**We** will pay compensatory damages, minus any applicable deductible shown in the Declarations, for **bodily injury** or **property damage** sustained by:

1. **you** or a **relative**, caused by an accident arising out of the ownership, maintenance, or use of an **uninsured motor vehicle**, which **you** or a **relative** are legally entitled to collect from the owner or driver of an **uninsured motor vehicle**; or
2. any other person, caused by an accident while **occupying a covered automobile**, who is legally entitled to collect from the owner or driver of an **uninsured motor vehicle**.

**We** will also pay damages to any person for damages that person is entitled to recover because of **bodily injury** sustained by anyone described in 1. or 2. above.

If **you** and **we** do not agree as to whether or not a vehicle is uninsured, the burden of proof as to that issue will be on **us**.

## **COVERAGE EXCLUSIONS**

**We** do not cover:

- A. any person **occupying** or struck by a **motor vehicle** owned by **you** or a **relative**, other than a **covered automobile**.
- B. any person who settles a **bodily injury** or **property damage** claim, with any liable party, without **our** written consent.
- C. any claim which would benefit any insurer or self-insurer under any workers' compensation, disability benefits, or similar law, or any insurer of property.
- D. any person, other than **you**, or a **relative**, while **occupying**:

- 1. a **covered automobile** while it is being used to carry persons or property for a fee.

EXCEPTION: This exclusion does not apply to shared expense car pools, or to **you** or a **relative**, unless the primary usage of the vehicle is to carry property for a fee.

- 2. a vehicle while being used without the permission of the owner.
  - 3. a **covered automobile** while it is rented or leased to any person.

EXCEPTION: This exclusion does not apply if **you** or a **relative** lends the **covered automobile** to another for reimbursement of operating expenses only.

- E. **bodily injury** or **property damage** resulting from intentional acts of **you** or a **relative**.
- F. the first \$250 of the amount of **property damage** to the property of that person as the result of any one accident.

## SETTLEMENT

Whether any person is legally entitled to collect damages under this section, and the amount to which such person is entitled, will be determined by agreement between that person and **us**. Upon written consent of both parties, any disagreement may be settled by arbitration.

When arbitration applies, it will take place under the rules of the American Arbitration Association, unless other means are required by law or are agreed to by the injured party and **us**.

If a person seeking coverage files a suit against the owner or driver of the **uninsured motor vehicle**, copies of suit papers must be forwarded to **us** and **we** have the right to defend on the issues of the legal liability of, and the damages owed by, such owner or driver. However, **we** are not bound by any judgment against any person or organization obtained without **our** written consent.

## LIMIT OF LIABILITY

The limit of liability shown for Uninsured/Underinsured Motorists Bodily Injury in the Declarations for "each person" is the most **we** will pay for all damages, including damages for care, loss of consortium, emotional distress, loss of services or death, arising out of **bodily injury** sustained by any one person as the result of any one accident. Subject to this limit for "each person", the limit shown in the Declarations for "each accident" for **bodily injury** liability, is the most **we** will pay for all damages, including damages for care, loss of consortium, emotional distress, loss of services or death, arising out of **bodily injury** sustained by two or more persons resulting from any one accident. If a single limit of liability is shown in the Declarations for Uninsured/Underinsured Motorists Bodily Injury it is the most **we** will pay for any one accident for all damages, including damages for care, loss of consortium, emotional distress, loss of services or death.

The limit of liability shown for Uninsured/Underinsured Motorists Property Damage in the Declarations is the most **we** will pay for all damages to all property resulting from any one accident.

If a single limit of liability is shown in the Declarations for Uninsured/Underinsured Motorists Coverage, it is the most **we** will pay for any one accident for all damages, including damages for care, loss of consortium, emotional distress, loss of services or death and damages to all property, arising out of **bodily injury** or **property damage**.

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

1. covered persons;
2. claims made;
3. vehicles or premiums shown in the Declarations; or
4. vehicles involved in the accident.

### REDUCTIONS

The lesser of the limits of this insurance or the amount payable under this coverage will be reduced by any amount:

1. paid by or on behalf of any liable parties.
2. paid or payable under any workers' compensation, disability benefits or similar laws.
3. paid or payable under the **AUTOMOBILE LIABILITY, AUTOMOBILE MEDICAL EXPENSE** and **PERSONAL INJURY PROTECTION** sections of this policy.

### OTHER INSURANCE

If there is other similar insurance, **we** will pay only **our** fair share. The total amount of recovery under all policies will be limited to the highest of the applicable limits of liability of this insurance and such other insurance.

**Our** fair share is the proportion that **our** limit bears to the total of all applicable limits. However, if **you** do not own the **motor vehicle**, **our** insurance will be excess over other similar uninsured motorists insurance available but only in the amount by which the limit of liability of this policy exceeds the limits of liability of the other available insurance. If there is other excess or contingent insurance, **we** will pay **our** fair share.

For any **property damage** 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 damages.

No payments will be made until the limits of all other liability insurance and bonds that apply have been exhausted by payments.

All other provisions of the policy apply except as modified by this endorsement.