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**CALIFORNIA
PERSONAL
AUTOMOBILE
POLICY**

PLEASE READ THESE IMPORTANT NOTICES:

NOTICE ABOUT "LIMITS OF FUTURE COVERAGE" - IN THIS POLICY, WE DESCRIBE AND OUTLINE REASONS WHY:

- **THE POLICY MAY BE NON-RENEWED, CANCELLED OR OTHERWISE ENDED (SEE UNDER "GENERAL PROVISIONS": "POLICY NON-RENEWAL", "POLICY TERMINATION", "AUTOMATIC TERMINATION", "OUR RIGHT TO RESCIND" & "OUR RIGHTS TO DENY COVERAGE AND END THE POLICY"); AND**
- **YOUR PREMIUM MAY BE INCREASED (SEE UNDER "DUTIES": "DUTY TO REPORT CHANGES").**

NOTICE ABOUT INSURANCE FRAUD - ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT THE PERSON IS FACILITATING FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

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YOUR AUTO POLICY INSURING AGREEMENT

If **we** receive payment of **your** premium when due, **we** agree to insure **you**, subject to all of the terms of this Policy, for the coverage(s) that are shown on the **declarations page** and for which the premium has been paid.

In issuing and maintaining this Policy, **we** have relied on the truthfulness and completeness of **your** statements and the information and representations contained in **your application**, and all coverage election, rejection or selection forms **you** have provided to **us**, and any notices of changes **you** have provided to **us**. **You** agree and represent that by accepting this Policy that the statements, information and representations in **your application**, and all coverage election, rejection or selection forms, and in any notices of changes are **your** statements and are true and accurate.

We and **you** also agree that:

1. Only the coverage(s) for which a premium is shown on the **declarations page** of this Policy will be provided if the required premium is paid when required for that coverage to apply. All premium due, and any fees or charges that may apply, must be paid before coverage will apply;
2. When the initial payment to start this Policy is made to **us**, or any of **our** agents, by check, money order, MoneyGram, Ace Cash Express, draft, credit card, debit card, direct payroll withdrawal, electronic funds transfer (EFT), ACH or similar method, this Policy is conditioned on that payment being honored by the financial institution when presented by **us**; and
3. Coverage is subject to all terms, conditions, exclusions and limitations set forth in this legally binding Policy contract which:
 - a. contains all agreements between **you** and **us** (or any of **our** agents); and
 - b. is made up of all the following forms (no matter how issued by **us** or **our** agent) as a Part of this Policy: this Personal Automobile Policy, **your** most recently dated **declarations page**, the **application**, all coverage election, rejection and selection forms, and any Endorsements.

Nothing in this Personal Automobile Policy Insuring Agreement or in this Policy obligates **us** to renew or continue this Policy.

DEFINITIONS

Defined words and phrases are shown in **bold face** type. Those words and phrases have the meaning shown below in this Policy when that word or phrase is used anywhere in the Policy, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense. However, if a separate Coverage Part of **your** Policy defines the same word or phrase, only the definition of the word or phrase used in that Coverage Part will apply in that Coverage Part.

As used in **your** Auto Policy:

“Accident” means a sudden, unexpected, and unintended event including continuous or repeated exposure to the same general conditions or conduct, occurring while this Policy is in force.

“Additional driver” means a **person** who is listed by name as an “additional driver” on the **declarations page**, if that:

1. **Person’s** information is used by **us** to determine the premium to be charged for **your** Policy; and
2. **Person** is not designated as an “Excluded” driver.

“Application” means the process and form(s) **we** or **our** agent use to gather data about **you** and **your autos**, and upon which **we** rely when **we** issue this Policy and determine the premium to be charged. The **“application”** includes, though is not limited to, any process used by **us** or **our** agent for **you** to:

1. Select or reject coverage(s), limits, deductibles and other Policy options;
2. Give **us** any information **we** required to issue, rate or service **your** Policy; or
3. Make representations to **us** that **we** rely on in issuing the Policy and determining your premium.

“**Auto**” means a private passenger type land **motor vehicle** that is a four-wheeled automobile, van, pick-up truck or sport utility vehicle, or dual rear wheel six-wheeled pick-up truck, designed for use on the public roads and with a manufacturer’s gross vehicle weight rating that does not exceed 12,000 pounds.

This definition of “**auto**” does not include any:

1. All-terrain or quad vehicle, dune buggy, go-cart or golf cart;
2. Step-van;
3. Parcel delivery van;
4. Cargo cutaway van;
5. Van with cab separate from the cargo area;
6. Tractors or other farm machines;
7. Box truck with a separate, box-like cargo area;
8. Kit car;
9. Motorcycle, moped, mini-bike, dirt bike, or all-terrain vehicle;
10. Recreational vehicle, being a vehicle with living or camping facilities; or
11. Vehicle while being used as a dwelling, **business** premises, or other premises.

“**Bodily injury**” means physical bodily harm to a **person** and all sickness, disease or death that results from bodily harm, sickness, or disease.

“**Business**” means any profession, occupation, job, employment, trade, commercial or for-profit activity, whether or not it is full-time or part-time.

“**Child passenger restraint system**” means a system, as described in Section 27360 of the California Vehicle Code (as amended), that is used to restrain child passengers being transported in **motor vehicles** and that system meets applicable federal motor vehicle safety standards.

“**Civil union partner**” means a **person** who **resides** with the **named insured** and is a registered partner of that **named insured** pursuant to a registered domestic partner or civil union law. “**Civil union partner**” does not include any person who is:

1. Related to the **named insured** by blood; or
2. Married, or joined by domestic partner law or civil union law, to any **person** other than the **named insured**.

If the **named insured** is not a **person**, then no one is a “**civil union partner**” for purposes of any coverage under any Part of this Policy.

“**Crime**” means any act or omission that is a statutory criminal offense or violation of the penal code, though not including minor traffic violations, whether or not the **person** is arrested, charged and/or convicted of an offense or violation. “**Crime**” includes, but is not limited to:

1. Any felony;
2. Fleeing, eluding or evading law enforcement;
3. Any illicit trade or transportation; and
4. Theft of an **insured vehicle**.

“**Declarations page**” means the most recently dated document from **us** identified as the “declarations page”, that:

1. Shows the coverage(s) selected, limits for each coverage, deductibles that apply, and other Policy options elected and paid for;
2. Describes the **insured vehicle(s)**;
3. Describes drivers **you** have listed on the Policy;
4. Shows the cost that must be paid for the coverage selected; and
5. Indicates the Policy period and other Policy information.

“**Diminution of value**” means the perceived or real decrease in market or resale value of property due to an **accident, loss** or repair.

“**Domestic partner**” means a **person** who is a:

1. Domestic partner who is lawfully registered as the domestic partner of the **named insured** under any **state’s** domestic partner or civil union law;

2. **Resides** with the **named insured**;
3. Is in a committed and continuing spouse-like relationship with the **named insured** for the purpose of a domestic life; and
4. Is 18 years of age or older.

“Domestic partner” does not include any person who is:

1. Related to the **named insured** by blood; or
2. Married, or joined by domestic partner law or civil union law, to any **person** other than the **named insured**.

If the **named insured** is not a **person**, then no one is a **“domestic partner”** for purposes of any coverage under any Part of this Policy.

“Fungus or mold” means any form or type of fungi, fungus, mold, mildew and yeast, and any of the following when produced or released by such: mycotoxins, toxins, spores, scents, odors, bacteria, viruses, or any other by-products or resulting organism(s).

“Hazardous materials” means any solid, liquid, gaseous or thermal substance, irritant or contaminant. This includes but is not limited to:

1. Smoke, vapor, soot, fumes, acids, alkalis, toxic chemicals, asbestos, lead;
2. Explosive or flammable substances;
3. Any waste material or product which includes, but is not limited to, materials that may be recycled, reconditioned, or reclaimed, whether or not known to result in environmental damage;
4. Any harmful biological, pathogenic, poisonous or toxic chemical, liquid, gas or substance; and
5. Pollutants as defined by any law of the United States.

“Hazardous materials” does not include:

1. Products and fluids intended for, and normal to, the operation of a **motor vehicle**, but only when used in the proper and intended scope of the **motor vehicle’s** normal usage.
2. Fuel for a motorized vehicle or lawn or yard equipment, but only when being safely transported in a federally approved fuel container.
3. Cleaning products, but only when in quantities for ordinary household use, and transported in its original container.

“Insured vehicle” means:

1. Any **auto** specifically described on the **declarations page** that **we** have agreed to insure, unless:
 - a. **You** have asked **us** to remove that **auto** from this Policy; or
 - b. That **auto** is sold, assigned, gifted, title transferred, or possession permanently transferred, to a **person** or party other than **you, your spouse a relative**, or an **additional driver**;
2. Any **newly acquired auto**.

“Minimum limits” means the minimum amounts of liability insurance required to apply to an **auto**, or its **owner** or operator, by the **motor vehicle** compulsory insurance and financial responsibility laws of the State of California that apply to an **auto**, as amended. The minimum limit amount is the per person/per accident limits required by such laws. The **“minimum limits”** for this California Personal Automobile Policy, unless amended by law, are:

1. \$15,000 for each **person**, subject to \$30,000 for each **accident**, for **bodily injury**; and
2. \$5,000 for each **accident** for **property damage**.

“Motor vehicle” means a land motor vehicle that is:

1. Self-propelled;
2. Designed for use on public roads;
3. Permitted by law for use on public roads; and
4. Subject to motor vehicle registration law in a U.S. state or the U.S. District of Columbia.

“Motor vehicle business” means any **business** related to or involving **motor vehicle** or **trailer** transactions, including, but not limited to, the following: the selling, leasing, renting, repairing, servicing, delivering, loading or unloading, testing, road testing, test-driving, storing, parking (including valet parking), towing, washing, cleaning or detailing of any **motor vehicle** or **trailer**.

“Named insured” means the **person(s)** or entity shown or designated on the **declarations page** as the

policyholder or "Named Insured". If the "named insured" is not a **person**, then there is no coverage under this Policy for any **relative** or **spouse, domestic partner** or **civil union partner**.

"**Newly acquired auto**" means an **auto** newly owned by **you** during the Policy period if it:

1. Replaces an **insured vehicle**; or
2. Is an additional **auto**, and **we** insure all other **autos owned** by **you** on the date **you** take possession of the **auto**;

but only if:

1. **You** ask **us** to add it to this Policy no later than 14 days after the earlier of the date when **you** acquire or take possession of the **auto**;
2. No other insurance policy provides coverage for that **auto**;
3. The **auto** is an acceptable risk under **our** Rules; and
4. **You** pay any additional premium when due; and
5. **Your** premium payment is honored by a bank or other financial institution when presented for final payment.

The coverage that applies to a "**newly acquired auto**" is as follows:

1. If a **newly acquired auto** is an additional **auto** and does not replace an **insured vehicle**, it will have Liability Coverage only with the highest limit that applies to any **insured vehicle** as of the date **you** acquire the **auto**. No Physical Damage Coverage or any other coverage will apply until after all of the following conditions are met:
 - a. **You** ask **us** to add the **auto** to **your** Policy as an **insured vehicle**;
 - b. **You** select the coverage(s) **you** want to purchase from **us** to apply to that **auto** and sign any selection/rejection/election forms **we** require;
 - c. **We** determine the **auto** is an acceptable risk under **our** Rules and **we** agree to provide the coverage;
 - d. **You** pay the additional premium to **us** when due; and
 - e. **Your** premium payment is honored by a bank or other financial institution when presented for final payment.No Physical Damage Coverage or any other coverage will apply if **we** determine the **auto** is not an acceptable risk under **our** Rules or if **you** do not pay the additional premium when due.
2. If a **newly acquired auto** is a replacement for an **insured vehicle**, it will have the same coverage as the replaced **insured vehicle**, other than Physical Damage Coverage, as of the date **you** acquire the **auto** if the following conditions are met:
 - a. **You** ask **us** to add the **auto** to this Policy no later than 14 days after the earlier of when you acquire or take possession of the auto;
 - b. **We** determine the **auto** is an acceptable risk under **our** Rules; and
 - c. **You** agree to pay, and actually pay **us**, the additional premium when due.No Physical Damage Coverage or any increase in the limits of liability will apply until after:
 - a. **You** ask **us** to add the coverage to this Policy or increase the limits;
 - b. **We** determine the **auto** is an acceptable risk under **our** Rules and **we** agree to provide the coverage; and
 - c. **You** agree to, and actually pay, the additional premium when due.

If **you** do not give **us** notice of a **newly acquired auto** within 14 days from the date **you** acquire the **auto** and pay the additional premium when due, no insurance will apply under this Policy with respect to the ownership, maintenance or use of that **auto** unless and until after **you** ask **us** to insure the **auto**, **you** provide **us** all information **we** require to determine if the **auto** is an acceptable risk and to determine the premium to insure it, **we** agree to insure the **auto**, and **you** pay the additional premium when due.

If a **newly acquired auto** is entitled to coverage under this Policy and any other Policy issued by **us** or an insurance company that has common ownership with **us**, it will be covered only under the one Policy that provides **you** with the broadest coverage, subject to the terms set forth above in this definition.

"**Non-owned auto**" means an **auto** that:

1. Is not:
 - a. **owned** by;
 - b. registered in the name of;
 - c. rented by; or
 - d. furnished or available for the regular or frequent use of;**you, your spouse, relative**, a resident of **your** household or an **additional driver**; and
2. Is used by **you, your spouse**, a **relative** or an **additional driver** with permission, and within the scope of that permission, from the **owner** or a **person** in lawful possession of that **auto**.

Non-owned auto does not include any rented **auto** other than a **temporary substitute**.

“**Nuclear event**” means and includes any nuclear exposure, reaction, radiation or radioactive contamination, whether or not controlled or uncontrolled, and however caused or as a consequence of any of these, or any event to which an atomic or nuclear energy liability insurance contract applies.

“**Occupying**” means in, on or getting in or out.

“**Own**”, “**owner**” and “**owned**” mean to have or hold (or the **person** or entity who has or holds):

1. Legal title to the **motor vehicle, auto or trailer**; or
2. Primary legal possession of the **motor vehicle, auto or trailer**:
 - a. that is leased or rented to that **person** or entity pursuant to a written contract for a continuous period of six (6) months or more; or
 - b. subject to a lien or security agreement.

“**Pedestrian**” means a **person** who is not **occupying** a vehicle, or trailer designed to be pulled by a self-propelled or motorized vehicle.

“**Person**” means a human being.

“**Punitive or exemplary damages**” means all damages awarded to:

1. Punish or deter conduct; and/or
2. Fine, penalize or impose a statutory penalty due to conduct; because that conduct is malicious, grossly negligent, wanton, willful, fraudulent or unlawful.

This includes, but is not limited to, any:

1. Damages that have been defined by law as punitive damages or exemplary damages (for example, treble or statutory multiple damages); and
2. Costs, attorney fees, other fees or interest awarded because of such damages.

This does not include any compensatory damages.

“**Racing**” means when using an **auto, motor vehicle** or any other vehicle, whether as a driver or passenger, to do any of the following:

1. Participate in or prepare for any speed contest, race, stunt, demolition, competition or timed contest or activity, whether or not that activity is planned or organized or not planned or organized.
2. Operate or **occupy** a vehicle on an indoor or outdoor track, course or trail designed or used for speed contests, demonstration driving, driver training, high performance driving, driving competition, or racing.

“**Relative**” means a **person** related to **you** or **your spouse** by blood, marriage or adoption, including **your** ward or foster child, and who **resides** in **your** household. The term “**relative**” also includes **your** unmarried and dependent child who is:

1. Under the age of 24 years during the calendar year in which the policy period ends; and
2. Temporarily residing away from **your** household to attend school or serve in the armed forces of the United States;

if that child intends to continue to **reside** in **your** household, however that coverage will be limited as set forth in the Limits of Liability of any applicable coverage.

* **NOTICE OF UM/UIM COVERAGE LIMITATION for certain relatives:** For any coverage under Part III – UM/UIM that may be available under this policy, notwithstanding the limit of liability shown on the **declarations page** or anything to the contrary set forth in this Policy, UM/UIM coverage afforded with respect to use of an **insured vehicle** that is not principally garaged where **you reside** because it is in the possession or use of **your** child who is temporarily residing away from **your** household to attend school or serve in the armed forces of the United States is limited to the **minimum limits**.

“**Relative**” does not include any **undisclosed operator**.

If the **named insured** is not a **person**, then no one is a “**relative**” for purposes of any coverage under any Part of this Policy.

“**Reside**” and “**resides**” mean to live at a place with the intent of continually staying there as that person's primary and legal domicile.

“**Spouse**” means a **person** who **resides** with **you** and who is either:

1. Legally married to **you**;
2. **Your registered domestic partner**; or
3. **Your civil union partner**.

No one will be your **"spouse"** under this Policy if **you** are not a **person** or if the **named insured** is a business entity, estate or trust.

"Temporary substitute auto" means any **auto** rented from a car rental **business** or **motor vehicle business** while the **insured vehicle** is being repaired as a result of a **loss** to which Collision Coverage or Comprehensive Coverage applies. **"Temporary substitute auto"** does not include any other rented **motor vehicle** or any **motor vehicle owned** by, or otherwise furnished or available for the regular use of, **you, your spouse, a relative** or an **additional driver**.

"Trailer" means a non-motorized device designed for use with, and permitted to be towed on public roads by, an **auto**. There is no coverage under this Policy for any **"trailer"**:

1. While it is being used:
 - a. as a residence or premises;
 - b. for office, store or display purposes;
 - c. for any **business** or commercial purpose; or
 - d. to carry **persons**; or
2. That is not designed for use with an **auto**.

"Transportation network company" means an organization or entity, including, but not limited to, a corporation, limited liability company, partnership, sole proprietor, or any other entity, that provides prearranged transportation services of persons or property for compensation using an online-enabled or digital application, software, website, system or platform.

"Uncollectible instrument" and **"not honored upon presentment"**, means a bank or other financial institution does not honor, or does not recognize, a form of payment. This includes, though is not limited to, a payment where:

1. A check is dishonored or refused due to insufficient funds;
2. A check or transfer is drawn from an empty or closed account;
3. There is an invalid credit or debit card;
4. Credit card charges are dishonored or refused by the issuing financial institution; or
5. Funds transferred via any electronic means or method that are refused, dishonored or rejected; all of which are deemed to be nonpayment of premium.

"Undisclosed operator" is any **relative** or regular operator of an **insured vehicle**, who is not shown on the **declarations page**. "Regular operator" as used in this definition includes any person not shown on the **declarations page** who has or had care, custody or control of the insured vehicle for more than 24 hours during the policy term. The 24 hours referred to in this definition may be consecutive or cumulative.

"War" means and includes war (declared or undeclared), civil war, insurrection, rebellion or revolution.

"We", **"us"** and **"our"** mean the insurance company shown on the **declarations page** as having underwritten this policy.

"You" and **"your"** mean the **named insured(s)** shown on the **declarations page**.

PART I - LIABILITY COVERAGES
Bodily Injury Liability
Property Damage Liability

INSURING AGREEMENT

If the premium for Bodily Injury Liability Coverage and/or Property Damage Liability Coverage has been paid when due, the coverage(s) shown on the **declarations page** will apply under this Policy and is subject to all Policy terms.

We will pay compensatory damages, subject to the Limits of Liability, for which an **insured** is legally liable because of:

1. **bodily injury** to others; and/or
2. **property damage**;

caused by or resulting from an **accident** that arises out of the ownership, maintenance or use of an **auto** for which that **insured** is covered by the terms of this Liability Coverage.

Compensatory damages include, subject to the Limits of Liability, the cost to replace a **child passenger restraint system** in use by a child or damaged during an **accident** for which the liability coverage under this Policy applies due to the liability of an **insured**.

ADDITIONAL PAYMENTS

If Bodily Injury Liability Coverage and/or Property Damage Liability Coverage apply to cover damages that arise from an **accident**, **we** will pay to or on behalf of an **insured**, in addition to **our** limit of liability:

1. Costs incurred by **us** to settle and defend a claim or suit brought against an **insured**. As **we** decide is proper, **we** will investigate and negotiate, settle or defend with counsel selected and paid by **us**. Our payments for the cost to defend an **insured** do not to reduce the applicable limit of liability shown on the **declarations page**. **We** have no duty to defend any lawsuit, settle or pay any judgment or claim not covered under this Policy. **Our** duty to settle or defend ends when **our** limit of liability has been exhausted by payment of judgments or settlements, or deposited into a court with jurisdiction.
2. Court costs of any suit for damages.
3. Interest on the portion of compensatory damages within **our** limit of liability that accrues after judgment until **we** pay, offer or deposit in court the amount due under this coverage. **We** have no duty to make any interest payment if **we** have not been given notice of suit and the opportunity to defend an **insured**.
4. Premiums or costs for the purchase of bonds:
 - a. to secure the release of an **insured's** property attached under a court order in any lawsuit **we** defend, up to **our** limit of liability for the face amount of the bond.
 - b. required to appeal a decision in a suit for damages that **we** are defending.
 - c. up to \$250 for each bail bond needed because of a covered **accident** or traffic violation related to a covered **accident**.

We have no duty to apply for, furnish, or secure any bonds. Nor do we have any duty to pay premiums for or the cost of any bond in an amount that is greater than **our** limit of liability.

DEFINITIONS FOR LIABILITY COVERAGE

Words and phrases shown in **bold face** type have the meaning set forth here when that word or phrase is used in this Liability Coverage, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

As used in this Liability Coverage:

"Insured" means:

1. **You, your spouse, your relatives**, and **additional drivers** for the:
 - a. ownership, maintenance or use of an **insured vehicle**.
 - b. use or operation of a **non-owned auto** with permission from its **owner**.
 - c. use of a **trailer** while it is being towed by any of these **autos** listed in a. or b. above.
2. Any other **person** for the lawful use or operation of an **insured vehicle** or a **newly acquired auto**, with express or implied permission from **you, your spouse** or a **relative**, and within the scope of that permission.

However, **"insured"** does not include an **undisclosed operator**.

"Property damage" means physical harm to, or destruction of, tangible, real or personal property, including any resulting loss of use.

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART I.

THERE IS NO LIABILITY COVERAGE FOR, AND **WE** HAVE NO DUTY TO DEFEND, ANY **INSURED**:

1. While any **auto** or **trailer** is:
 - a. rented, leased, subleased, loaned or sold by **you, your spouse**, a **relative** or an **additional driver** to any other **person** or party in exchange for any form of value, compensation or reimbursement.
 - b. being used as a public or livery conveyance.
 - c. being used for any transport of **persons** for compensation or a fee, or in the course of any similar for-profit activity. This exclusion applies to the pickup, carrying and drop off of **persons**. This exclusion also applies to use of a **motor vehicle** from the moment an **insured** participating in activities with a **transportation network company** logs on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application. This exclusion applies to any ride-share network or services, charter-party carrier services, passenger-stage company, car service, livery service or similar activity for any compensation, income, profit, fee, or charge paid by or for any occupant of the **motor vehicle**. This does not apply to a share-the-expense car pool or use for a charitable or volunteer purpose.
 - d. being used for any transport or delivery of property or goods for compensation or a fee by a driver participating in activities with a **transportation network company**, including from the time the driver logs on to the **transportation network company's** online-enabled application or platform until that driver logs off the online-enabled application.
 - e. being used for the wholesale or retail pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, mail, flowers or any other products.
 - f. being used for snow removal.
 - g. being used by any **person** employed or engaged in any way in a **motor vehicle business**. This does not apply to **you, your spouse**, a **relative** or an **additional driver** for the use of an **insured vehicle**.
 - h. being used for **racing**.
 - i. parked and being used as a residence or premises.
 - j. towing a **trailer** which is used as an office, store, display, or recreational vehicle.
2. For any **bodily injury** to:
 - a. a fellow employee while on the job and that arises out of the maintenance or use of any vehicle by another employee in the employer's **business**. However, this does not apply to **you** as to **bodily injury** to a fellow employee.
 - b. any employee of an **insured** arising out of and in the course of employment. This does not apply to **your** household or domestic employee who is not covered or not required to be covered under any worker's compensation insurance.
 - c. **you, your spouse**, a **relative**, an **additional driver** residing in **your** household or any **insured**.
3. For any **bodily injury, property damage** or any other damages:
 - a. for which the United States government may be found liable.
 - b. caused by an intentional act of an **insured** or at the direction of an **insured**.
 - c. that is or should be reasonably expected to result from an intentional act of an **insured**, even if the **bodily injury** or **property damage** that results is not of the same nature that was intended to be inflicted.
 - d. that result from any type of **nuclear event**.
 - e. that result from the commission of a **crime** by that **insured**. If and as required by law, this will only apply as to the amount of damages in excess of **minimum limits**.
 - f. that occurs while an **insured vehicle** is being towed or is towing a **motor vehicle**.
 - g. that arises out of the operation of a **motor vehicle** by a **person** who is listed as an excluded driver on the **declarations page**. However, if an **accident** occurs to which Part I – Liability Coverage would otherwise apply, **we** will provide a defense for the **named insured**, as needed, when that named excluded driver:
 - (1) **resides** in the same household as the **named insured**;
 - (2) is jointly sued with the **named insured** as a result of operating the **insured vehicle** of the **named insured**; and
 - (3) is an insured under a separate automobile liability insurance policy issued to that named excluded driver as a named insured, but which policy does not provide a defense to the **named insured** under this Policy.

- h. that arises out of the ownership or use of an **insured vehicle** when it is entrusted to another person or party for the purpose of subleasing, leasing, renting or selling and is no longer in **your** possession.
 - i. that arises out of the ownership or use of an **insured vehicle** when it is under a conditional sales agreement and is no longer in **your** possession.
 - j. sustained by an **insured** while that **person** is operating a **motor vehicle** if that **insured** has never possessed a valid driver license or has a driver license that is revoked. If and as required by law, this will only apply as to the amount of damages in excess of **minimum limits**.
4. For **property damage** to any property:
 - a. owned, operated or being transported by;
 - b. rented or leased to;
 - c. in the charge or care of;
 an **insured**. This does not apply to damage to a rented residence or private garage.
 5. For any liability imposed upon or assumed by the **insured**, or his or her insurer, under any type of workers compensation law.
 6. For liability assumed by the **insured** under a contract.
 7. For any **punitive or exemplary damages**.
 8. For any **bodily injury, property damage** or any other damages that result from **hazardous materials**, including any order, demand, claim or suit for testing for, monitoring, cleaning up, removing, treating, neutralizing or remediating **hazardous materials** or environmental damage.
 9. For use of any **auto** in any **business** or commercial activity. This does not apply to **your** use of an **insured vehicle** for which **you** have purchased Business Use Coverage if the use of that **auto** is within the scope of the **business** use that has been approved by **us** for Business Use Coverage.
 10. For any **bodily injury** or **property damage** that arises out of the use of an **insured vehicle** in connection with a personal vehicle sharing program or other similar program that engages in the business of facilitating the sharing of **motor vehicles**.

LIMITS OF LIABILITY

The limit(s) of liability for any Bodily Injury Liability Coverage and/or Property Damage Liability Coverage that applies are shown on the **declarations page** and are subject to the following:

1. The limit shown on the **declarations page** is the most **we** will pay in any one covered **accident**, without regard to the number of:
 - a. claims made;
 - b. **motor vehicles** and/or **trailers** involved in an **accident**;
 - c. **insureds**, heirs, survivors or wrongful death beneficiaries;
 - d. lawsuits filed;
 - e. **autos, trailers** or vehicles covered or shown on the **declarations page**;
 - f. premiums paid;
 - g. claimants;
 - h. policies issued by **us**; or
 - i. policies or bonds that apply.
 There will be no adding, stacking or combining of coverage.
2. **Bodily Injury Liability Coverage**
Your declarations page shows a split limit. This means:
 - a. The Bodily Injury limit of liability shown on the **declarations page** that applies "Per Person" is the most **we** will pay for all damages due to **bodily injury** sustained by any one **person** in any one **accident**.
 - b. Subject to the limit of liability that applies "Per Person", the Bodily Injury limit of liability shown on the **declarations page** that applies "Per Accident" is the most **we** will pay for all damages due to **bodily injury** sustained by two or more **persons** in any one **accident**. Without changing this "Per Accident" limit, **we** will apply that limit to provide any separate "per person" limit required by law for **bodily injury** liability.
 - c. The limit that applies "Per Person" includes all claims, causes of action and lawsuits of others that relate to or derive from the **bodily injury** of the injured **person**. When allowed by law, this limit includes, but is not limited to, all claims and lawsuits for:
 - (1) Emotional distress or mental anguish as a result of seeing the **accident**.
 - (2) Loss of: society, companionship, services, comfort, support and/or consortium.
 - (3) Wrongful death.

3. **Property Damage Liability Coverage**

The Property Damage limit of liability shown on the **declarations page** is the most **we** will pay for all damages due to **property damage** for which an **insured** becomes legally liable as a result of any one **accident**.

4. **Our** limit of liability shall be reduced by any payment made to that **person** under Part II – Excess Medical Expense Coverage and/or Part III – Uninsured Motor Vehicle Coverage / Underinsured Motor Vehicle Coverage.

5. An **auto** and attached **trailer** are deemed to be one **auto** for the purposes of determining the limit of liability. The limit is not increased in any way if there is a covered **accident** that involves a **trailer** attached to and being towed by an **auto**.

6. No one is entitled to recover more than once for the same elements of damages that have been paid by **us** or any other source, which may include, but is not limited to:

- a. Any other coverage under this Policy;
- b. Any other Policy **we** or another insurer issue; or
- c. Workers' compensation or any similar insurance.

No one will be entitled to recover duplicate payments for the same elements of damages.

7. Notwithstanding the limit of liability shown on the **declarations page** or anything to the contrary set forth in clause 1 through 6 above, coverage afforded with respect to use of an **insured vehicle** that is not principally garaged at an address shown on the **declarations page** is limited to the **minimum limits**.

OTHER INSURANCE OR COVERAGE

If there is other similar coverage or source of recovery (including any other applicable liability insurance, bonds, self-insurance certificates of insurance, deposits of cash made to evidence financial responsibility or a report of governmental ownership, lease or use filed and deemed a policy of automobile liability insurance by law) that applies:

1. **Policies issued by Us to You**

If this Policy and any other **auto** or **motor vehicle** insurance Policy issued to **you** by **us** (or any insurers that have common ownership with **us**) provide this coverage and apply to the same **accident**, **our** limit of liability under all those policies shall not exceed the highest limit of liability that applies for such coverage under any one of those policies. The limit of liability may not be added, combined or stacked with similar coverage under any other **auto** or **motor vehicle** Policy issued by **us** (or any insurers that have common ownership with **us**).

2. **Other liability coverage available from other sources**

- a. Any insurance **we** provide for use of an **insured vehicle** by anyone other than **you** will be excess over any other collectible insurance, self-insurance or bond.
- b. If a **non-owned auto** or a **trailer** has other vehicle liability coverage, bond or self-insurance that applies to the **accident**, then this Policy's coverage is excess. This Policy's coverage shall not apply if the:
 - (1) vehicle is **owned** by any **person** or entity in a **motor vehicle business**; and
 - (2) **insured** or the **owner** has other vehicle liability coverage, bond or self-insurance which applies, in whole or in part, as primary, excess or contingent.
- c. This Policy's coverage does not apply to a **newly acquired auto** if there is any other liability coverage, bond or self-insurance that applies to that **newly acquired auto** except under a Policy issued by **us** or an insurance company that has common ownership with **us**.

3. Subject to all other terms in this Other Insurance clause and the Policy, if any other **auto** or vehicle liability coverage, bond or self-insurance applies to the same **accident** with the same priority as coverage under this Policy, **we** will not pay more than **our** share of the damages. **Our** share is the proportion that the limit of liability of this Policy bears to the total of all **auto** or vehicle liability coverage, bond and self-insurance that apply with the same level of priority to the **accident**.

4. If there is other applicable insurance, **we** shall be entitled to reimbursement of an equal share of the defense cost (as defined by and to the extent allowed and/or required by California Insurance Code Section 11580.9, as amended) and attorney fees in any lawsuit **we** defend.

FINANCIAL RESPONSIBILITY

If **we** certify the coverage provided under this Part I as proof of financial responsibility, this Policy shall comply with such law to the extent required. If **we** make a payment **we** would not have made if this Policy had not been certified as proof of future financial responsibility, **we** must be reimbursed by **you** or an **insured** for such payment and related costs.

OUT-OF-STATE COVERAGE

If an **accident** to which this Part I applies occurs in any state, territory, or possession of the United States of America or any province or territory of Canada, other than the one in which an **insured vehicle** is principally garaged (as shown in **our** records), but still within the Policy Territory, and that other state, territory, province or possession has:

1. A financial responsibility, compulsory or mandatory insurance or other similar law that requires all **owners** or operators of an **auto** to have liability insurance with limits of liability for **bodily injury** or **property damage** higher than the limits shown on the **declarations page**, **we** will provide that required higher limit for Liability Coverage under this Policy. However, unless the **insured** is required by law to maintain liability insurance when operating a **motor vehicle** in that state, territory, province or possession, **we** will not provide any Liability Coverage for an **accident** if the **declarations page** shows **you** did not buy Liability Coverage from **us** on this Policy.
2. A compulsory insurance or similar law requiring a non-resident to maintain specific types of insurance coverage whenever the non-resident uses a vehicle in that state, territory, province or possession, this Policy will provide the greater of:
 - a. the required minimum amounts and types of coverage; or
 - b. the Limits of Liability under this Policy.

BANKRUPTCY

The bankruptcy or insolvency of an **insured** shall not relieve **us** of any obligations under this Policy.

PART II – EXCESS MEDICAL EXPENSE COVERAGE

INSURING AGREEMENT

If the premium for Excess Medical Expense Coverage has been paid when due and this coverage is shown on the **declarations page**, **we** will pay, subject to the limit of liability, for:

1. **Reasonable** and necessary **medical expenses** incurred and required to be paid by an **insured**; and
2. **Funeral expenses** incurred on behalf of an **insured**;

that arise out of **bodily injury** sustained by that **insured** as a result of a **motor vehicle accident**. **We** will pay only for expenses incurred for services furnished within one (1) year from the date of the **accident**.

DEFINITIONS FOR EXCESS MEDICAL EXPENSE COVERAGE

Words and phrases shown in **bold face** type have the meaning set forth here when that word or phrase is used in this Excess Medical Expense Coverage, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

As used in this Excess Medical Expense Coverage:

“**Funeral expenses**” means fees, costs or charges incurred or required to be paid for services directly related to the funeral, burial, cremation and/or interment of the remains of an **insured** who has died.

“**Insured**” means **you, your spouse, relatives** and **additional drivers**:

1. While operating or **occupying** an **insured vehicle** or **non-owned auto**; or
2. When as a **pedestrian** is struck by any **auto** or **motor vehicle** designed for use mainly on public roads.

However, “**insured**” does not include an **undisclosed operator**.

“**Medical expenses**” mean **reasonable** fees, costs or charges incurred or required to be paid for medically necessary medical treatment, services, procedures and products provided or prescribed by a United States (“U.S.”) state licensed health care provider, and within the proper scope of that provider’s practice, including:

1. Ambulance, hospital, surgical, medical, dental, x-ray, professional nursing, chiropractic, and pharmaceutical services;
2. Physical, occupational, and vocational therapy and rehabilitation;

3. Speech and hearing therapy and rehabilitation; and
4. Medications, prosthetic and orthopedic devices, eyeglasses, hearing aids, and other medical products and supplies.

“**Medical expenses**” do not include any fees, costs or charges for:

1. Treatment, services, procedures and products that are experimental or for research, or not commonly recognized in the medical profession in the U.S. as a customary treatment for the **bodily injury**.
2. Massage therapy not prescribed by a U.S. state licensed doctor or chiropractor.
3. Services that are not necessary for treatment or care of the **bodily injury** sustained in the **accident**.

“**Reasonable**” means the lowest cost amount for **medical expenses** to be determined, as **we** decide, by one of the following methods:

1. The **usual and customary charge**; or
2. The fee, cost or charge set forth in any medical fee schedule:
 - a. that applies to medical expenses, no-fault or personal injury protection coverage in a motor vehicle liability policy issued in the state where medical services are provided; and
 - b. as required or allowed by the law of the state where medical services are provided; or
3. The fee, cost or charge agreed to by both the **insured’s** health care provider and **us** (or a third party **we** have contracted with to determine that amount).

“**Usual and customary charge**” means the amount **we** find represents a common and typical fee, cost or charge for treatment, services, procedures or products in the geographic area in which it is rendered. **We** may use independent sources of **our** choice to find the **usual and customary charge** for **medical expenses**.

OUR RIGHT TO REVIEW MEDICAL EXPENSES

We have the right to:

1. Review **medical expenses** and pay only those **medical expenses** that are **reasonable** and necessary for both the diagnosis and treatment of the **insured’s bodily injury**.
2. Use independent sources of information of **our** choice to assist **us** in deciding if a **medical expense** is not **reasonable** or not necessary for either the diagnosis or treatment of the **insured’s bodily injury**. These sources include, but are not limited to:
 - a. review of medical records and test results by persons and services selected by **us**;
 - b. published sources of medical expense information and fee schedules;
 - c. computer databases and programs; and/or
 - d. exams performed by physicians and other medical experts **we** select and pay for.
3. Not pay for any **medical expense**, or portion thereof, that:
 - a. is not **reasonable**;
 - b. is not necessary for the diagnosis or treatment of the **insured’s bodily injury**;
 - c. is for treatment of **bodily injury** that is not the result of the covered **accident**; or
 - d. results from a service, treatment, procedure and/or product that is not provided and prescribed by a U.S. state licensed health care provider acting within the proper scope of that license.

We will resolve any dispute with a medical service provider, at **our** expense, with respect to a **medical expense we** do not pay because the charge is not, in whole or part, **reasonable** or necessary.

EXCLUSIONS

THERE IS NO COVERAGE UNDER PART II FOR **BODILY INJURY**:

1. Incurred while **occupying** or through being struck by any motor vehicle (other than an **insured vehicle** that is insured for this coverage or a **newly acquired auto**) owned by, or furnished or available for the regular use of, **you, your spouse, a relative** or an **additional driver**.
2. To the extent worker’s compensation benefits are required to be payable.
3. Incurred while **occupying** an **insured vehicle** or a **newly acquired auto** while it is:
 - a. rented, leased or subleased by **you, your spouse, a relative** or an **additional driver** to any other **person** or party.
 - b. being used as a public or livery conveyance.
 - c. being used for any transport of **persons** for compensation or a fee, or in the course of any similar for-profit activity. This exclusion applies to the pickup, carrying and drop off of **persons**. This

exclusion also applies to use of a **motor vehicle** from the moment an **insured** participating in activities with a **transportation network company** logs on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application. This exclusion applies to any ride-share network or services, charter-party carrier services, passenger-stage company, car service, livery service or similar activity for any compensation, income, profit, fee, or charge paid by or for any occupant of the **motor vehicle**. This does not apply to a share-the-expense car pool or use for a charitable or volunteer purpose.

- d. being used for any transport or delivery of property or goods for compensation or a fee by a driver participating in activities with a **transportation network company**, including from the time the driver logs on to the **transportation network company's** online-enabled application or platform until that driver logs off the online-enabled application.
 - e. being used for the wholesale or retail pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, mail, flowers or any other products.
 - f. being used for snow removal.
 - g. parked and being used as a residence or premises.
 - h. towing a **trailer** which is used as an office, store, display, or recreational vehicle.
4. Incurred while **occupying** any motorcycle, moped, mini-bike, dirt bike or any other similar motorized vehicle which has less than four (4) wheels.
 5. Incurred while **occupying** any all-terrain vehicle or go-cart.
 6. Incurred while **occupying** any recreational vehicle, being any type of vehicle or trailer with living or camping facilities.
 7. Incurred while **occupying** or through being struck by any motorized vehicle:
 - a. designed for use mainly off public roads;
 - b. that operates on rails or crawler treads;
 - c. while it is parked and being used as a residence or premises; or
 - d. used in any **racing**.
 8. Caused by **war**.
 9. That results from any type of **nuclear event**.
 10. Sustained while **occupying** or using a vehicle without permission to do so from the **owner** of the vehicle. This does not apply to **you**, **your spouse**, a **relative** or an **additional driver** when **occupying** an **insured vehicle** that is insured for this coverage or a **newly acquired auto**.
 11. Caused by, or arising out of the actual, alleged or threatened presence, growth, proliferation or spread of **fungus or mold**, without regard to the factors causing or contributing to its growth.
 12. Sustained by an **insured** due to **hazardous materials** being transported by an **insured**.
 13. Caused by an intentional act of the **insured** or at the direction of the **insured**.
 14. Sustained by an **insured** in the commission of a **crime** by that **insured**.
 15. Expense that is paid or payable under TRICARE, CHAMPUS, or any similar health care program of the United States Department of Defense Military Health System.
 16. Expense for which the United States Government is liable under the Federal Tort Claims Act.
 17. That arises out of the operation of a **motor vehicle** by a **person** who is listed as an excluded driver on the **declarations page**.
 18. Sustained by an **insured** while that **person** is operating a **motor vehicle** if that **insured** has never possessed a valid driver license or has a driver license that is revoked.
 19. That arises out of the use of any **motor vehicle** in any **business** or commercial activity. This does not apply to **your** use of an **insured vehicle** for which **you** have purchased Business Use Coverage if the use of that **auto** is within the scope of the **business** use that has been approved by **us** for Business Use Coverage.
 20. That arises out of the use of an **insured vehicle** in connection with a personal vehicle sharing program or other similar program that engages in the business of facilitating the sharing of **motor vehicles**.

LIMITS OF LIABILITY

The limit of liability for Excess Medical Expense Coverage that applies is shown on the **declarations page** for any one **insured** and is subject to the following:

1. The limit shown on the **declarations page** is the most **we** will pay in any one covered **accident**, without regard to the number of:
 - a. claims made;
 - b. **motor vehicles** and/or **trailers** involved in an **accident**;

- c. **insureds**, heirs, survivors or wrongful death beneficiaries;
- d. lawsuits filed;
- e. **autos, trailers** or vehicles covered or shown on the **declarations page**;
- f. premiums paid;
- g. claimants;
- h. policies issued by **us**; or
- i. policies or bonds that apply.

There will be no adding, stacking or combining of coverage.

2. The limit of liability for Medical Expense Coverage shown on the **declarations page** includes any amount paid for **funeral expenses**.
3. A **motor vehicle** and attached **trailer** are deemed to be one **vehicle**. The limit is not increased in any way if there is a covered **accident** that involves a **trailer** attached to and being towed by a **motor vehicle**.
4. No one is entitled to recover more than once for the same elements of damages that have been paid by **us** or any other source, which may include, but is not limited to:
 - a. Any other coverage under this Policy;
 - b. Any other Policy **we** or another insurer issue; or
 - c. Workers' compensation or any similar insurance.
 No one will be entitled to recover duplicate payments for the same elements of damages.

ASSIGNMENT OF BENEFITS

If **we** are given a written assignment of benefits signed by the injured **insured** or the representative of the **insured** for **medical expenses** that are payable under this coverage, **we** will pay those **medical expenses** directly to the health care provider if that provider is licensed to provide such care by a state in the U.S. where the care or services were rendered. If **we** do this, **we** have no further duty or liability to pay those same benefits to an **insured** or to any other **person** or party.

OTHER INSURANCE OR COVERAGE

If there is other similar coverage or source of recovery, the following apply:

1. **Policies issued by Us to You**
 If this Policy and any other **auto** or **motor vehicle** insurance policy issued to **you** by **us** (or any insurers that have common ownership with **us**) provide this coverage and apply to the same **accident**, **our** limit of liability under all those policies shall not exceed the highest limit of liability that applies for such coverage under any one of those policies. The limit of liability may not be added, combined or stacked with similar coverage under any other **auto** or **motor vehicle** Policy issued by **us** (or any insurers that have common ownership with **us**).
2. **Other coverage available from other sources**
 - a. Subject to all other terms in this Other Insurance clause and the Policy, if any other **auto** or vehicle coverage, bond or self-insurance applies to the same **accident** with the same priority as coverage under this Policy, **we** will not pay more than **our** share of the damages, expenses or loss. **Our** share is the proportion that the limit of liability of this Policy bears to the total of all **auto** or vehicle coverage, bond or self-insurance that apply with the same level of priority to the **accident**.
 - b. However:
 - (1) If other **auto** medical expense coverage applies to **bodily injury** sustained by a **pedestrian**, this coverage is excess.
 - (2) Insurance provided under this coverage will be excess over any benefits the **insured** is eligible to receive under any **motor vehicle** personal injury protection or other similar type of no-fault insurance.
 - (3) For a **motor vehicle accident** arising out of the use of a **non-owned auto**, if that **auto** is insured with medical expense coverage or similar coverage under a policy of insurance, bond or self-insurance, any coverage provided under this Policy shall be excess.
 - (4) This Policy's coverage does not apply to a **newly acquired auto** if there is any other **auto** medical expense coverage that applies to the use of that **newly acquired auto**.

PART III – UNINSURED MOTOR VEHICLE COVERAGE / UNDERINSURED MOTOR VEHICLE COVERAGE

INSURING AGREEMENTS

Uninsured/Underinsured Motor Vehicle Bodily Injury Coverage (“UM/UIM BI”)

If the premium for Uninsured/Underinsured Motor Vehicle Bodily Injury Coverage has been paid when due, that coverage, as shown on the **declarations page**, will apply under this Policy and is subject to all Policy terms.

We will pay for compensatory damages an **insured** is legally entitled to collect from the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle** because of **bodily injury** sustained by that **insured** as a result of an **accident**. The **bodily injury** must be caused by an **accident** that arises out of the ownership, maintenance, or use of that **uninsured motor vehicle** or **underinsured motor vehicle**.

Uninsured Motor Vehicle Property Damage Coverage (“UM PD”)

If the premium for Uninsured Motor Vehicle Property Damage Coverage has been paid when due, that coverage, as shown on the **declarations**, will apply under this Policy and is subject to all Policy terms.

We will pay for **property damage** that an **insured** is legally entitled to collect from the **owner** or driver of an **uninsured motor vehicle** because that **property damage** is caused as a result of an **accident**. The **property damage** must be caused by an **accident** that:

1. arises out of the ownership, maintenance, or use of that **uninsured motor vehicle**; and
2. involves direct physical contact between the **insured vehicle** and the **uninsured motor vehicle**;

provided the following conditions have been satisfied:

1. the **owner**, driver or license number of that **uninsured motor vehicle** is identified; and
2. the **accident** has been reported to **us** or **your** agent within ten (10) business days of the date of that **accident**.

Uninsured Motor Vehicle Property Damage Collision Deductible Coverage

If the premium for Uninsured Motor Vehicle Property Damage Collision Deductible Coverage has been paid when due, this coverage, as shown on the **declarations**, will apply under this Policy and is subject to all Policy terms, when **we** have made a payment under Collision Coverage under Part IV – Physical Damage Coverage due to a collision with an **uninsured motor vehicle**, and the payment by **us** under Part IV was made subject to a reduction for the deductible. When these conditions have been met, **we** will pay the amount of the deductible deducted from that payment under Part IV.

ADDITIONAL TERMS FOR COVERAGE UNDER PART III

The following Additional Terms apply at all times:

1. If the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle** has liability insurance, self-insurance or bond that applies, **we** will not make a payment under the coverage provided under Part III to or for an **insured** until:
 - a. After the limits of liability under all motor vehicle and/or automobile liability insurance, self-insurance and/or bonds that apply to that **owner** and driver of an **underinsured motor vehicle** have been exhausted by payment of judgments or settlements, and proof of that payment is given to **us**;
 - b. **We** and the **insured** reach a written settlement agreement; or
 - c. **We** have been given at least 30 days prior written notice of a settlement offer between the **insured** and **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle**. In order to preserve **our** right of subrogation, **we** have the right to elect to pay any sum offered in settlement by, or on behalf of, the **owner** or driver of the **uninsured motor vehicle** or **underinsured motor vehicle**. If **we** do this, **you** agree to assign to **us** all rights that **you** have against the **owner** or driver of the **uninsured motor vehicle** or **underinsured motor vehicle**.
2. If the **insured** is not able to identify the **owner** or driver of the **uninsured motor vehicle** or **underinsured motor vehicle**, the **insured** or someone on behalf of the **insured**, must report the **accident** to the police or other law enforcement authority within twenty-four (24) hours or as soon as practicable after the **accident**.
3. **We** will not be bound if:
 - a. A judgment is entered against the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle** in a lawsuit filed without **our** prior written consent.
 - b. An **insured** enters into a settlement for damages against the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle** without **our** prior written consent.

4. **We** reserve the right to:
 - a. Negotiate payment of medical expenses directly with an **insured's** health care or medical provider; and
 - b. Make payment directly to a health care or medical provider in accord with that negotiated payment.

DEFINITIONS FOR COVERAGE UNDER PART III

Words and phrases shown in **bold face** type have the meaning set forth here when that word or phrase is used in this Coverage, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

As used in this Coverage:

"Insured" means:

1. **You, your spouse** (whether or not that **spouse** is residing with **you** at the time of the **accident**), **relatives** and **additional drivers**.
2. Any other **person** who, at the time of the **accident**, is **occupying**:
 - a. an **insured vehicle**, if the operation and use is with permission from **you, your spouse** or a **relative**, and is within the scope of that permission; or
 - b. a **non-owned auto** (other than a **temporary substitute auto**) while being operated by **you** or **your spouse** (but only if that **spouse** is residing with **you** at the time of the **accident**); or
 - c. a **temporary substitute auto** for which liability coverage is provided by this Policy if that **auto** is used by **you** or with **your** permission or consent, express or implied, and within the scope of that permission or consent.
3. Any other **person** for damages that **person** is entitled to recover because of **bodily injury** sustained by a **person** described above in this definition of **"insured"** for purposes of Part III – UM/UIM. This shall not increase **our** limit of liability.

However, **"insured"** does not include an **undisclosed operator**.

"Property damage", for Uninsured Motor Vehicle Property Damage Coverage, means physical injury to or destruction of:

1. An **insured vehicle** for which Uninsured Motor Vehicle Property Damage Coverage has been purchased on this Policy, as a result of direct physical contact with an **uninsured motor vehicle**.
2. A **child passenger restraint system** in use by a child in, or damaged during, an **accident** for which UM PD under this Policy is applicable due to the liability of the **owner** or driver of an **uninsured motor vehicle**.

"Property damage" does not include:

1. Loss of use.
2. Physical injury to or destruction of **custom equipment** (as defined in Part IV), or to any:
 - a. device used for the detection or location of radar, laser, or other speed measuring equipment or its transmissions;
 - b. mobile telephone or internet device;
 - c. televisions or their accessories or antennas;
 - d. audio or video devices that are not permanently installed by the original manufacturer;
 - e. scanning monitor receivers;
 - f. awnings or cabanas; or
 - g. equipment designed to provide cooking, sleeping or living facilities.
3. Damage to, or destruction or loss of, any other personal property.
4. **Diminution of value**.

"Underinsured motor vehicle" means a **motor vehicle** to which one or more **motor vehicle** or automobile liability bond or policies (or self-insurance or cash deposits which have been posted to satisfy a financial responsibility law) applies at the time of the **accident**, but the sum of the limits of liability for **bodily injury** liability coverage (or the amount of the self-insurance or cash deposits) is less than the limit for UM/UIM Bodily Injury Coverage shown on **your declarations page**. This definition only applies for **bodily injury**, and Underinsured Motor Vehicle Coverage does not apply to any **property damage**.

An **underinsured motor vehicle** does not include any vehicle or equipment:

1. That is an **insured vehicle**, a **newly acquired auto** or that is **owned** by, furnished to or available for the regular use of **you, your spouse**, a **relative** or an **additional driver** unless, at the time of the **accident**, the following apply:
 - a. that **auto** is **owned** by **you** or a **relative** and is being operated, or caused to be operated, by a **person** without the consent of the **owner** of that **auto** in connection with criminal activity that has been documented in a police report; and
 - b. the injured **insured** is not a party to that criminal activity;
2. **Owned** by any governmental unit or agency;
3. Not required to be registered as a motor vehicle;
4. Designed or modified for use mainly off public roads except while on public roads;
5. Operated on rails or crawler treads; or
6. While located for or being used as a residence or premises.

“Unidentified motor vehicle”, for UM/UIM BI coverage only, means a **motor vehicle**:

1. For which the **owner** or driver cannot be identified; and
2. That causes an **accident** resulting in **bodily injury** to an **insured**;

provided that the **insured** or someone on that **person’s** behalf:

1. Reports the **accident** within 24 hours to the proper law enforcement of the locale where the **accident** occurred; and
2. Files with **us**, within 30 calendar days after the **accident**, a statement under oath that the **insured**, or that **person’s** legal representative, has a cause of action arising out of the **accident** for damages against a **person** whose identity is unascertainable and has set forth facts in support thereof.

If there is no physical contact with the **unidentified motor vehicle**, the **insured** must establish by independent corroborative evidence that the **bodily injury** was proximately caused by the unidentified driver of the **uninsured motor vehicle**. The testimony of an **insured** seeking payment under this Part III shall not constitute independent corroborative evidence unless the testimony is supported by additional evidence to establish the facts of the **accident**.

“Uninsured motor vehicle” means a **motor vehicle** that is:

1. Not insured or bonded for liability at the time of the **accident**;
2. Insured or bonded for liability at the time of the **accident**, but:
 - a. the insuring or bonding company:
 - (1) denies coverage or refuses to admit coverage (except conditionally or with reservation); or
 - (2) is or becomes insolvent within one year of the **accident**; or
 - b. for **bodily injury** only, is an **underinsured motor vehicle**; or
3. For **bodily injury** only, an **unidentified motor vehicle**.

An **“uninsured motor vehicle”** does not include any vehicle or equipment:

1. That is an **insured vehicle**, a **newly acquired auto** or that is **owned** by, furnished to or available for regular use by **you, your spouse**, a **relative** or an **additional driver** unless, at the time of the **accident**, the following apply:
 - a. that **auto** is **owned** by **you** or a **relative** and is being operated, or caused to be operated, by a **person** without the consent of the **owner** of that **auto** and in connection with criminal activity that has been documented in a police report; and
 - b. the injured **insured** is not a party to that criminal activity;
2. **Owned** or operated by a self-insurer within the meaning of the financial responsibility law of the state in which the **motor vehicle** is registered or under any financial responsibility, **motor vehicle** or similar law, except:
 - a. a self-insurer that is or becomes insolvent within one year of the **accident**; or
 - b. a **motor vehicle** that is an **underinsured motor vehicle**; or
3. While located for or being used as a residence or premises;
4. Not required to be registered as a motor vehicle;
5. Designed or modified for use mainly off public roads, except while on public roads;
6. Operated on rails or crawler treads; or
7. **Owned** by any governmental unit or agency.

EXCLUSIONS

THERE IS NO UNINSURED/UNDERINSURED MOTOR VEHICLE COVERAGE:

1. If the **insured**, or the legal representative of the **insured**, settles the claim or prosecutes it to judgment without **our** consent, and in doing so, harms **our** rights or interests. However, this exclusion does not apply to an **accident** caused by an **underinsured motor vehicle**.
2. For **bodily injury** or **property damage** sustained by an **insured**:
 - a. while using or **occupying** a motorized vehicle or device, other than an **insured vehicle** or a **newly acquired auto**, if the vehicle or device is **owned** by, leased under a written contract for a period of six (6) months or longer to, or furnished or available for the regular use of, **you, your spouse, a relative** or an **additional driver**.
 - b. while using a **non-owned auto** without the permission of its **owner**, or operating outside of the scope of the **owner's** permission.
3. For **bodily injury** or **property damage** sustained by an **insured** as the result of an act of that **insured** that is intended or reasonably likely to cause **bodily injury** or **property damage**.
4. For any **punitive or exemplary damages**.
5. To the extent it benefits, directly or indirectly, any:
 - a. worker's compensation or disability benefits insurer or self-insurer under any such or similar law; or
 - b. insurer or self-insurer of property.
6. To the extent it benefits directly the United States, or any state or any political subdivision thereof.
7. For **bodily injury** or **property damage** sustained by an **insured** while using a **motor vehicle** in any **business** that involves the transport of **persons** for compensation or a fee, or in the course of any similar for-profit activity. This exclusion applies to public or livery conveyance purposes, and the pickup, carrying and drop off of **persons**. This exclusion also applies to use of a **motor vehicle** from the moment an **insured** participating in activities with a **transportation network company** logs on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application. This exclusion applies to any ride-share network or services, charter-party carrier services, passenger-stage company, car service, livery service or similar activity for any compensation, income, profit, fee, or charge paid by or for any occupant of the **motor vehicle**. This does not apply to a share-the-expense car pool or use for a charitable or volunteer purpose. This does not apply to **you, your spouse** or **relatives** riding as a passenger in a **non-owned auto**.
8. For **bodily injury** or **property damage** sustained by an **insured** while using a **motor vehicle** for any transport or delivery of property or goods for compensation or a fee by a driver participating in activities with a **transportation network company**, including from the time the driver logs on to the **transportation network company's** online-enabled application or platform until that driver logs off the online-enabled application.
9. For **bodily injury** that occurs while that **insured** is **occupying**, operating or otherwise using any vehicle other than an **insured vehicle** or a **newly acquired auto**, if the **owner** of that vehicle has similar uninsured or underinsured motorist insurance available for the use of that vehicle.
10. For **bodily injury** or **property damage** sustained by an **insured** while using a **motor vehicle** for the wholesale or retail pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, mail, flowers or any other products. For **bodily injury**, if and as required by law, this will only apply as to the amount of damages in excess of **minimum limits**.
11. For **bodily injury** or **property damage** sustained by an **insured** while using a **motor vehicle** for snow removal. For **bodily injury**, if and as required by law, this will only apply as to the amount of damages in excess of **minimum limits**.
12. For **bodily injury** or **property damage** that arises out of the operation of a **motor vehicle** by a **person** who is listed as an excluded driver on the **declarations page**.
13. For **bodily injury** or **property damage** sustained by an **insured** while that **person** is operating a **motor vehicle** if that **insured** has never possessed a valid driver license or has a driver license that is revoked. For **bodily injury**, if and as required by law, this will only apply as to the amount of damages in excess of **minimum limits**.
14. For any **bodily injury** or **property damage** caused by **hazardous materials** being transported by the **insured**. For **bodily injury**, if and as required by law, this will only apply as to the amount of damages in excess of **minimum limits**.
15. For **bodily injury** or **property damage** that occurs while the **insured** is operating the **insured vehicle** in any **business** or commercial activity. This does not apply to **your** use of an **insured vehicle** for which **you** have purchased Business Use Coverage if the use of that **auto** is within the scope of the **business** use that has been approved by **us** for Business Use Coverage. For **bodily injury**, if and as required by law, this will only apply as to the amount of damages in excess of **minimum limits**.

16. For **bodily injury** or **property damage** that arises out of the use of an **insured vehicle** in connection with a personal vehicle sharing program or other similar program that engages in the business of facilitating the sharing of **motor vehicles**.
17. For **property damage** if there is no direct physical contact between **your insured vehicle** and the **uninsured motor vehicle**.
18. For **property damage** if the **owner** or driver of the **uninsured motor vehicle** causing the **property damage** cannot be identified by name and address, or by other information to identify that **person** and establish that no liability bond or policy applied at the time of the **accident**.
19. For **property damage** to the extent the **property damage** is also covered under any collision coverage under this or any other policy.
20. For **property damage** that is due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown or failure; or
 - d. road damage to tires.
21. For or due to **diminution in value**.
22. For **property damage**:
 - a. while engaged in **racing**.
 - b. as a result of any **nuclear event**.
 - c. during the commission of a **crime** by that **insured**.
 - d. caused by **war**.
 - e. caused by any type of **underinsured motor vehicle** or underinsured motorist.

LIMITS OF LIABILITY

The limit(s) of liability for Uninsured/Underinsured Motor Vehicle Coverage that applies are shown on the **declarations page** and are subject to the following:

1. The limit shown on the **declarations page** is the most **we** will pay in any one covered **accident**, without regard to the number of:
 - a. claims made;
 - b. **motor vehicles** and/or **trailers** involved in an **accident**;
 - c. **insureds**, heirs, survivors or wrongful death beneficiaries;
 - d. lawsuits filed;
 - e. **autos, trailers** or vehicles covered or shown on the **declarations page**;
 - f. premiums paid;
 - g. claimants;
 - h. policies issued by **us**; or
 - i. policies or bonds that apply.

There will be no adding, stacking or combining of coverage.
2. **Uninsured/Underinsured Motor Vehicle Bodily Injury Coverage**
Your declarations page shows a split limit. This means:
 - a. The Bodily Injury limit of liability shown on the **declarations page** for coverage under Part III that applies "Per Person" is the most **we** will pay for all damages due to **bodily injury** sustained by any one **person** in any one **accident**.
 - b. Subject to the limit of liability that applies "Per Person", the Bodily Injury limit of liability shown on the **declarations page** "Per Accident" for coverage under Part III is the most **we** will pay for all damages due to **bodily injury** sustained by two or more **persons** in any one **accident**. Without changing this "Per Accident" limit, **we** will apply that limit to provide any separate "per person" limit required by law for **bodily injury** liability.
 - c. The limit that applies "Per Person" includes all claims, causes of action and lawsuits of others that relate to or derive from the **bodily injury** of the injured **person**. When allowed by law, this limit includes, but is not limited to, all claims and lawsuits for:
 - (1) Emotional distress or mental anguish as a result of the **accident**.
 - (2) Loss of: society, companionship, services, support and/or consortium.
 - (3) Wrongful death.
3. **Uninsured Motor Vehicle Property Damage Liability Coverage**

If **you** have purchased Uninsured Motor Vehicle Property Damage Coverage, the limit of liability shown on the **declarations page** for “property damage” or “PD” under this coverage is the most **we** will pay for all covered **property damage** sustained in any one **accident**, and is subject to the following:

- a. For the actual damage to or destruction of an **insured vehicle** or a **newly acquired auto** to which this coverage applies, **we** shall not pay more than the lowest of the:
 - (1) **actual cash value** of the damaged property at the time of the **accident**; or
 - (2) **cost of repair or replacement**; or
 - (3) amount of **your** Collision Coverage deductible on **your insured vehicle** or a **newly acquired auto** damaged in the **accident**, but only if there is valid and collectible Collision Coverage under this Policy on that **insured vehicle** or **newly acquired auto** that also has this UM PD coverage. The meaning of the terms “**actual cash value**” and “**cost of repair or replacement**” as defined under Physical Damage Coverage also apply to this Uninsured Motor Vehicle Property Damage Coverage.
 - b. **Our** payment will not include, and **you** are responsible for (when applicable), the amount of:
 - (1) Any deductible that applies as shown on **your declarations page**. When applying the deductible, if the **property damage**:
 - (a) is to more than one **auto** covered by Uninsured Motor Vehicle Property Damage Coverage and resulting from the same **accident**, only the highest applicable deductible will apply.
 - (b) is the result of more than one **accident**, a separate deductible shall apply to each **accident**.
 - (2) Betterment to any property, including any costs for labor, parts, and materials to repair prior damage, deterioration, and/or defects to the property that had not been repaired prior to the **accident**.
 - (3) The salvage value if **you** or the **owner** retains salvage.
 - c. **We** have no duty to cover or pay for any **diminution in value**.
4. Any payment made to a **person** under Part III shall reduce any amount payable to that **person** under the Liability Coverage under Part I. However, this shall not reduce Liability Coverage to an amount less than the **minimum limits**.
5. **We** reserve the right to negotiate payment of medical expenses directly with your health care or medical provider, and to make payment directly to the provider in accord with that negotiated payment.
6. **Our** limit of liability for coverage under Part III shown on the **declarations page** shall be reduced by any amount paid or to be paid:
 - a. by or on behalf of any **persons** or parties that may be legally responsible, including, but not limited to all sums paid under Part I of this Policy;
 - b. under any workers’ compensation law, disability benefits law, or similar laws (though exclusive of non-occupational disability benefits); and
 - c. under Part IV for **property damage**.However, any reduction shall not reduce the amount available under this coverage to less than **minimum limits**.
7. If an **accident** covered under this Part III is caused by an **underinsured motor vehicle**, the following apply:
 - a. When **bodily injury** is caused by one or more **motor vehicles**, whether insured, underinsured, or uninsured, **our** maximum liability for UM/UIM **bodily injury** coverage shall not exceed the coverage limit shown on the **declarations page** for UM/UIM BI reduced by the amount paid to the **insured** by or for any **person** or organization that may be held legally liable for that **bodily injury**.
 - b. If **we** pay a **bodily injury** claim due to an **accident** caused by an **underinsured motor vehicle**, to the extent of such payment, **we** are entitled to reimbursement or a credit for all amounts received by the **insured** from the **owner** or driver of the **underinsured motor vehicle**, or that party’s insurer.
8. If the **insured** has valid and collectible automobile medical payment insurance available to him or her (under this or any other policy), the damages recoverable under this UM/UIM BI coverage as damages that **insured** is entitled to recover from the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle** shall be reduced, for purposes of this UM/UIM BI coverage, by the amounts paid or due to be paid under that automobile medical payment insurance.
9. A **motor vehicle** and attached **trailer** are deemed to be one **vehicle**. The limit is not increased in any way if there is a covered **accident** that involves a **trailer** attached to and being towed by a **motor vehicle**.
10. No one is entitled to recover more than once for the same elements of damages that have been paid by **us** or any other source, which may include, but is not limited to:
 - a. any other coverage under this Policy;
 - b. any other policy **we** or another insurer issue; or

c. workers' compensation or any similar insurance.

No one will be entitled to recover duplicate payments for the same elements of damages.

11. Notwithstanding the limit of liability shown on the **declarations page** or anything to the contrary set forth in this Limit of Liability section or elsewhere in this Policy, coverage afforded with respect to use of an **insured vehicle** that is not principally garaged where **you reside** because it is in the possession or use of **your** child who is temporarily residing away from **your** household to attend school or serve in the armed forces of the United States is limited to the **minimum limits**.
12. Notwithstanding the limit of liability shown on the **declarations page** or anything to the contrary set forth in this Limit of Liability section or elsewhere in this Policy, if any exclusion or other policy term is found invalid or unenforceable by a court with proper jurisdiction, then to the extent permitted by law, that exclusion or policy term is amended and:
 - a. does not apply to the portion of the damages or loss that is less than or equal to **minimum limits** or minimum amounts of coverage required by law; and
 - b. does apply to the portion of the damages or loss that is greater than **minimum limits** or minimum amounts of coverage required by law.

OTHER INSURANCE OR COVERAGE

Subject to all other terms and limits in this Policy and UM/UIM section (including all UM/UIM exclusions), if there is other similar coverage or source of recovery, the following apply:

1. **Policies issued by Us to You**

If this Policy and any other **auto** or **motor vehicle** insurance policy issued to **you** by **us** (or any insurers that have common ownership with **us**) provide this coverage and apply to the same **accident**, **our** limit of liability under all those policies shall not exceed the highest limit of liability that applies for such coverage under any one of those policies. The limit of liability may not be added, combined or stacked with similar coverage under any other **auto** or **motor vehicle** Policy issued by **us** (or any insurers that have common ownership with **us**).

2. **Other uninsured coverage or underinsured coverage available from other sources**

- a. Subject to all other terms in this Other Insurance clause and the Policy, if the **insured** sustains **bodily injury**:
 - (1) As a **pedestrian**, and other similar uninsured coverage or underinsured coverage issued by **us** or any other insurer applies:
 - (a) The total limits under all such coverages shall not exceed that of the coverage with the highest limit of liability; and
 - (b) **We** are liable only for **our** share. **Our** share is that proportion of the damages that the limit of liability of this coverage bears to the total of all such coverage that applies to the **accident**.
 - (2) While **occupying** an **insured vehicle**, and that **insured vehicle** is shown on the declarations page of another Policy issued by **us** or any other insurer providing uninsured coverage or underinsured coverage:
 - (a) The total limits of liability under all such coverages shall not exceed that of the coverage with the highest limit of liability; and
 - (b) **We** are liable only for **our** share. **Our** share is that proportion of the damages that the limit of liability of this coverage bears to the total of all such coverage that applies to the **accident**.
 - (3) While **occupying** a vehicle not shown on the **declarations page** of this Policy, coverage under this Policy applies:
 - (a) As excess to any other uninsured coverage or underinsured coverage that applies to the vehicle as primary coverage; but
 - (b) Only in the amount by which it exceeds the primary coverage.
- b. If there is other similar coverage or source of recovery for **property damage**, then:
 - (1) Any insurance **we** provide for **property damage** shall be excess over any other property damage insurance;
 - (2) The total limits under all such coverages shall not exceed that of the coverage with the highest limit of liability; and
 - (3) **We** are liable only for **our** share. **Our** share is that proportion of the **property damage** that the limit of liability of this coverage bears to the total of all such UM coverage that applies to the **property damage** with the same level of priority.
- c. If coverage under more than one Policy issued by **us** or any other insurer applies as excess:

- (1) The total limits of liability shall not exceed the difference between the limit of liability of the coverage that applies as primary and the highest limit of liability of any one of the coverages that apply as excess uninsured coverage or underinsured coverage; and
- (2) **We** are liable only for **our** share. **Our** share is that proportion of the damages that the highest limit of liability of any Policy issued by **us** bears to the total of all uninsured coverage or underinsured coverage applicable as excess to the **accident**.

ARBITRATION

If **we** and an **insured** are unable to agree as to either:

1. Whether the **insured** is legally entitled to collect damages from the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle**; or
 2. The amount of compensatory damages the **insured** is legally entitled to recover;
- then the resolution of the disagreement will be submitted for determination by Arbitration if and as required under, and in accord with, California UM/UIM law, as amended.

Any arbitration instituted pursuant to this Arbitration clause shall be:

1. With respect to **bodily injury**, concluded either:
 - a. within five (5) years from the institution of the arbitration proceeding; or
 - b. if the **insured** has a workers' compensation claim arising from the same **accident**, within three (3) years of the date that claim is concluded or within the five (5) year period set forth directly above (whichever occurs later).
2. With respect to **property damage**, formally instituted with a written demand by the **insured** within one (1) year from the date of the **accident**.

Either **we** or the **insured** may initiate arbitration by written demand. If there is a demand to arbitrate, then:

1. The arbitration shall be conducted by one neutral arbitrator. The parties shall mutually agree on the appointment of one competent, qualified and impartial arbitrator. If the parties are unable to agree on an arbitrator within 30 days, then either party may request a judge of a court with proper jurisdiction to select the arbitrator.
2. The cost of any attorney shall be paid by the party who hired that attorney.
3. The cost of the expert witness shall be paid by the party who hired that witness.
4. The cost of the arbitrator and other expenses of arbitration shall be shared equally by both parties.
5. The arbitration shall take place in the county in which **you reside** unless the parties agree to another place.
6. The local court rules as to procedure and evidence will apply. Disputes as to procedure and evidence shall be decided by the arbitrator.
7. A decision by the arbitrator will be binding as to:
 - a. whether or not that **insured** is legally entitled to recover damages for **bodily injury** or **property damage** from the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle**; and
 - b. the amount of compensatory damages that the **insured** is entitled to recover against the owner or driver of the **uninsured motor vehicle** or **underinsured motor vehicle**, but **we** will have no liability greater than **our** limit of liability.

However, an award, or a judgment confirming an award, shall not be conclusive on any party in any other action or proceeding between:

- a. the **insured**, the **insured's** insurer, the **insured's** legal representatives, or the **insured's** heirs; and
 - b. the owner or operator of the **uninsured motor vehicle** or **underinsured motor vehicle**; to recover damages arising out of the **accident** upon which the award is based.
8. The arbitrator has no authority to:
 - a. decide issues of coverage;
 - b. award any amount:
 - (1) in excess of the limit of liability;
 - (2) as **punitive or exemplary damages**;
 - (3) as attorney fees; or
 - (4) as other fees, costs or interest;
 - c. resolve any dispute or decide issues as to anything other than the legal liability and damages; or
 - d. consolidate claims or disputes in arbitration without the mutual consent of the parties.

9. No party shall be entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class.

SETTLEMENT

If the **insured** and the **person** or party legally liable for the **insured's bodily injury** or **property damage** reach a settlement agreement, the **insured** must submit the agreement to **us** in writing and secure **our** approval prior to final execution of such settlement agreement if:

1. The settlement would not fully satisfy the **insured's** claim for **bodily injury** or **property damage**; or
2. A claim has been or will be made against **us** for benefits under this Part III.

The **insured** may file suit against **us** and the legally liable **person** if, within 30 days after **our** receipt of the settlement agreement, **we** do not:

1. Approve the settlement;
2. Waive **our** rights of recovery against the **person** or party legally liable for the **bodily injury** or **property damage**;
3. Authorize the signing of a full release; or
4. Pay the amount offered in settlement and receive an assignment by the **insured** of all claims against the owner and driver of the **uninsured motor vehicle** or **underinsured motor vehicle**. If this occurs, the **insured** must file a lawsuit against the owner and driver of the **uninsured motor vehicle** or **underinsured motor vehicle** before the expiration of the bodily injury statute of limitations, in order to protect **our** rights, and the **insured** must cooperate with **us** in any such lawsuit.

PART IV – PHYSICAL DAMAGE COVERAGES

Comprehensive Collision

INSURING AGREEMENTS

Comprehensive Coverage

If the premium for Comprehensive Coverage was paid when due and the coverage is shown on the **declarations page**, **we** will pay, subject to all Policy terms, for a **comprehensive loss** to the following, including its **original equipment**:

1. An **insured vehicle**.
2. A **temporary substitute auto** if that **auto** is:
 - a. driven by, or in the custody of, **you**, **your spouse**, a **relative** or an **additional driver**; and
 - b. used within the scope of consent of the **owner** or **person** in lawful possession of such **auto**.

If Comprehensive Coverage applies to a **loss**, **we** will also:

1. Repay **you** for transportation costs incurred if an **insured vehicle** is stolen in its entirety, subject to the limits shown on the **declarations page**, or any higher limits **you** have purchased as Rental Reimbursement, for the period that:
 - a. begins 48 hours after **you** tell **us** and the police of the theft; and
 - b. ends when an **insured vehicle** is recovered, repaired or replaced, or 48 hours after **we** offer to pay for the **comprehensive loss**.Transportation costs will not be paid under this clause if **we** pay you any higher limit under Rental Reimbursement. **You** must provide **us** verifiable written proof of **your** transportation expenses.
2. Pay the reasonable charges for necessary towing for which **you** become legally liable because of an **insured vehicle** being transported after a **loss**, but **we** will not pay more than the average towing charge in the geographic area where the **loss** occurred. **You** must provide **us** verifiable written proof of **your** towing expenses.
3. Pay to replace a **child passenger restraint system** in use by a child in, or damaged during, that **accident** or **loss**.

If **we** can pay the **loss** under either Comprehensive Coverage or Collision Coverage, **we** will pay under the coverage where **you** are paid the most.

Collision Coverage

If the premium for Collision Coverage was paid when due and that coverage is shown on the **declarations page**, **we** will pay, subject to all Policy terms, for **loss** caused by impact with any object or **person**, or overturning or upset, to:

1. An **insured vehicle**.
2. A **temporary substitute auto** if that **auto** is:
 - a. driven by, or in the custody of, **you**, **your spouse**, a **relative** or an **additional driver**; and
 - b. used within the scope of consent of the **owner** or **person** in lawful possession of such **auto**.

When this coverage applies to an **auto** it includes that **auto** and its **original equipment**.

If Collision Coverage applies to a **loss**, **we** will also pay:

1. The reasonable charges for necessary towing for which **you** become legally liable because of an **insured vehicle** being transported after a **loss**, but **we** will not pay more than the average towing charge in the geographic area where the **loss** occurred. **You** must provide **us** verifiable written proof of **your** towing expenses.
2. To replace a **child passenger restraint system** in use by a child in, or damaged during, that **accident** or **loss**.

DEFINITIONS FOR PHYSICAL DAMAGE COVERAGES

Words and phrases shown in **bold face** type have the meaning set forth here when that word or phrase is used in these Physical Damage Coverages, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

As used in this Physical Damage Coverages:

“**Actual cash value**” means the fair market value of the stolen or damaged property immediately prior to the **accident** or **loss**, adjusted by the following:

1. The age, mileage and physical condition of the property;
2. Prior damage; and
3. **Depreciation**.

“**Comprehensive**” **loss** is breakage of glass (unless Collision Coverage applies to that breakage of glass) or any **loss** caused by any event other than collision, including, but not limited to, any of the following:

1. Contact with bird or animal;
2. Fire or explosion (unless caused by a collision);
3. Earthquake;
4. Malicious mischief or vandalism;
5. Missiles;
6. Falling or thrown objects;
7. Riot or civil commotion;
8. Theft or larceny;
9. Windstorm or hail; or
10. Water or flood.

“**Cost of repair or replacement**” means the amount necessary to:

1. Repair physical damage to return property to its pre-**loss** physical condition; or
2. Replace stolen or damaged property;

as determined by **us**, based on one of the following methods, at **our** option:

1. The cost of repair or replacement as agreed upon by **you** and **us**;
2. A competitive bid approved by **us**; or
3. **Our** written estimate based upon the reasonable prevailing competitive price in the area where the property is to be repaired, as reasonably determined by **us**.

To determine the **cost of repair or replacement**, **you** agree that parts and equipment, as allowed by law, may be new, refurbished, reconditioned, restored, remanufactured, or used, including, but not limited to:

1. **Original equipment manufactured** parts or equipment (**OEM**); and/or
2. Non-**original equipment manufactured** parts or equipment (non-**OEM**).

We may specify the use of parts that are not **OEM** (except where not permitted by law).

To determine the covered **cost of repair or replacement**, the cost will be reduced by unrepaired prior damage. Unrepaired prior damage includes broken, cracked or missing parts; rust; dents; scrapes; gouges; and peeling paint. The reduction for unrepaired prior damage is the cost of labor, parts and materials necessary to repair or replace damage, deterioration, defects and wear and tear on exterior body parts, windshields and other glass, wheels, and paint, that existed prior to the **accident** and that is eliminated as a result of the repair or replacement of property in the **loss**.

“Depreciation” means the reduction in value of property due to wear and tear, and the decline in value of an object’s parts and components over the course of its useful life.

“Loss”, when used in this Part IV only, means sudden, direct, and accidental physical damage. For Comprehensive Coverage, **“loss”** also includes full or partial theft. **“Loss”**, under this Part IV, does not mean or include any **diminution of value**.

“Original equipment manufactured” and **“OEM”** mean parts, equipment or items produced and/or installed by:

1. The manufacturer of the vehicle; or
2. A vendor of the manufacturer of the vehicle that the manufacturer intends as part of the vehicle or a manufacturer’s option when new.

“Original equipment” means equipment, devices or accessories that are **permanently installed**:

1. By the original factory manufacturer of the vehicle at the time of its original assembly or fabrication;
2. By the vehicle dealer as an original manufacturer new car option at the time of the vehicle’s original retail sale and purchase; or
3. To replace an item in paragraph 1 or 2 above in this definition with equipment, devices or accessories with similar function and value if such item is common to the use of an **insured vehicle** as a vehicle.

“Permanently installed” means a part or item is attached by bolts, brackets, screws, paint, adhesive, welding or other means so that it cannot be unattached without the use of tools or chemicals.

“Windshield” is the front window glass panel of an **auto**, and does not include the side or back windows.

RENTAL REIMBURSEMENT

RENTAL REIMBURSEMENT

If Rental Reimbursement coverage is shown for an **insured vehicle** on **your declarations page**, we will reimburse up to the daily (per day) limit shown for this coverage on **your declarations page**, for up to the number of days shown on the **declarations page**, the cost incurred by **you** for:

1. Rental of a **temporary substitute auto** from an **auto** rental agency or a **motor vehicle business** that repairs **autos**; or
2. Use of Uber, Lyft or similar ride service from a **transportation network company**.

Rental Reimbursement coverage that applies:

1. Begins:
 - a. when an **insured vehicle** cannot be driven due to a **loss** covered by Collision Coverage or Comprehensive Coverage; or
 - b. if an **insured vehicle** can be driven, when the **insured vehicle** is delivered to a **motor vehicle business** for repairs due to the **loss**; and
2. Ends the earliest of:
 - a. when the **insured vehicle** has been repaired or replaced;
 - b. returned to you; or
 - c. 48 hours after **we** offer a fair cash settlement for a total **loss**.

We must be given verifiable written proof of the rental costs **you** have incurred unless **we** elect to directly pay the **motor vehicle business** that rented the **auto** to **you**. If Rental Reimbursement applies, no payment will be made for temporary transportation. Duplicate recovery for identical elements of damages is not permitted under this Policy.

EXCLUSIONS

THERE IS NO PHYSICAL DAMAGE COVERAGE OF ANY KIND, NOR ANY OTHER TYPE OF COVERAGE UNDER THIS PART IV, FOR OR RELATED TO:

1. **Loss** or damage to any **auto** (including an **insured vehicle** or **temporary substitute auto**, or any other **motor vehicle** to which Comprehensive Coverage or Collision Coverage applies):
 - a. that occurs while it is:
 - (1) Rented, leased or subleased by **you, your spouse**, a **relative** or an **additional driver** to any other **person** or party in exchange for any form of value, compensation or reimbursement.
 - (2) Entrusted to another **person** or party for the purpose of subleasing, leasing, renting or selling and is no longer in **your** possession.
 - (3) Under a conditional sales agreement and is no longer in **your** possession.
 - (4) Used as a public or livery conveyance.
 - (5) Used in any **business** that involves the transport of **persons** for compensation or a fee, or in the course of any similar for-profit activity. This exclusion applies to the pickup, carrying and drop off of **persons**. This exclusion also applies to use of a **motor vehicle** from the moment an **insured** participating in activities with a **transportation network company** logs on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application. This exclusion applies to any ride-share network or services, charter-party carrier services, passenger-stage company, car service, livery service or similar activity for any compensation, income, profit, fee, or charge paid by or for any occupant of the **motor vehicle**. This does not apply to a share-the-expense car pool or use for a charitable or volunteer purpose.
 - (6) used for the wholesale or retail pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, mail, flowers or any other products.
 - (7) Used for any transport or delivery of property or goods for compensation or a fee by a driver participating in activities with a **transportation network company**, including from the time the driver logs on to the **transportation network company's** online-enabled application or platform until that driver logs off the online-enabled application.
 - b. due and related only to:
 - (1) Freezing;
 - (2) Mechanical or electrical breakdown; or
 - (3) Road damage to tires.
 - c. due and related only to:
 - (1) The lack of routine and/or proper maintenance; or
 - (2) Manufacturer's defects or faulty materials or parts.
 - d. due to taking by any government or civil authority.
 - e. due to **war**.
 - f. due to any **nuclear event**.
 - g. used for **racing**.
 - h. that is:
 - (1) caused intentionally by or at the direction of **you, your spouse**, a **relative**, an **additional driver**, or the **owner** of the property; or
 - (2) should be reasonably expected to result from an intentional act of **you, your spouse**, a **relative** or an **additional driver**, even if the **loss** that results is not of the same nature that was intended to be caused.

However, this Exclusion does not apply to an innocent co-insured's legal interest in property if the:

 - (1) Innocent co-insured did not cooperate in or contribute to the cause of the **loss**;
 - (2) **Loss** arose out of an act of domestic violence; and
 - (3) **Person** who caused the **loss** is criminally prosecuted for the act causing the **loss**.
 - i. caused by, or arising out of the actual, alleged or threatened presence, growth, proliferation or spread of, **fungus or mold**, without regard to the factors causing or contributing to its growth, or for any testing or remediation of **fungus or mold**. This Exclusion does not apply if the **fungus or mold** are the direct result of a covered **loss** that is payable under Comprehensive Coverage or Collision Coverage (if purchased).
2. **Loss** or damage to any **motor vehicle** due to theft or conversion:
 - a. by **you**, a **relative**, an **additional driver** or any resident of **your** household;
 - b. prior to its delivery to **you**, a **relative** or an **additional driver**; or

- c. while in the care, custody, or control of anyone engaged in a **motor vehicle business** or in possession of the **motor vehicle** for consignment or sale.
- 3. **Loss** or damage that occurs to a **motor vehicle** while operated by a **person** who has never possessed a valid driver license or has a driver license that is revoked.
- 4. **Loss** or damage to any **motor vehicle** operated by a **person** who is listed as an excluded driver on the **declarations page**.
- 5. **Loss** or damage to an **insured vehicle** while it is no longer in **your** possession because it has been entrusted to another **person** or party to be leased, subleased or sold.
- 6. **Loss** or damage to any **temporary substitute auto** used by **you, your spouse, a relative** or an **additional driver** without permission to do so from its **owner**.
- 7. **Loss** or damage to any **auto** rented by **you, your spouse, a relative** or an **additional driver** unless:
 - a. it is a **temporary substitute auto**; and
 - b. the **business** renting that **auto** is entitled to recover for the **loss** under the terms of the rental agreement or under law, but subject to the Other Insurance clause.
- 8. **Loss** or damage to any:
 - a. items of personal property (including, but not limited to, wearing apparel, compact discs, tapes, citizens band radio, ham radio, devices wholly or partially designed to prevent radar detection or circumvent any other law enforcement detection measures, tools) unless expressly covered as listed **custom equipment** to which Custom Parts & Equipment Coverage applies.
 - b. part or equipment that is not **permanently installed** in the **auto** or **motor vehicle**.
- 9. **Loss** or damage that results from the commission of a **crime** by **you, your spouse, a relative** or an **additional driver**.
- 10. **Loss** or damage that results from **hazardous materials**.
- 11. Repossession by any party acting on behalf of the **owner** of an **insured vehicle** or **newly acquired auto**.
- 12. **Diminution in value**.
- 13. **Loss** or damage to an **insured vehicle** that is not principally garaged at an address shown on the **declarations**, including when the insured vehicle is in the possession or use of **your** child who is temporarily residing away from **your** household to attend school or serve in the armed forces of the United States.
- 14. **Loss** or damage that arises out of the use of an **insured vehicle** in connection with a personal vehicle sharing program or other similar program that engages in the business of facilitating the sharing of **motor vehicles**.
- 15. **Loss** or damage to any **auto** while it is being repaired, serviced or used by any **person** while that **person** is working in any **motor vehicle business**.
- 16. **Loss** or damage to any **auto** while used in any **business** or commercial activity. This does not apply to **your** use of an **insured vehicle** for which **you** have purchased Business Use Coverage if the use of that **auto** is within the scope of the **business** use that has been approved by **us** for Business Use Coverage.
- 17. **Loss** that arises out of the use of an **insured vehicle** for the removal or plowing of snow.

LIMITS OF LIABILITY

The limit of **our** liability for any covered **loss** to an **auto** shall not be more than the lowest of the:

- 1. **Actual cash value** of the damaged or stolen property at the time of the **loss**;
- 2. **Cost of repair or replacement**; or
- 3. The Physical Damage Coverage limit shown on the **declarations page** except when all drivers listed on the policy are "good drivers" as defined by California Insurance Code § 1861.025.

Our payment will not include, and **you** are responsible for (when applicable), the amount of:

- 1. Any deductible that applies as shown on **your declarations page**. If the **loss** is to more than one **insured vehicle** in one collision, a separate deductible shall apply to each **insured vehicle**. If the **loss** is the result of more than one **accident** or **loss**, a separate deductible shall apply to each **accident** or **loss**.
- 2. Betterment to any property, including any costs for labor, parts, and materials to repair prior damage, deterioration, wear and tear and defects to the property that had not been repaired prior to the **loss**. The reduction for betterment includes, but is not limited to depreciation to:
 - a. batteries;
 - b. tires;

- c. engines and transmissions if the engine has greater than 80,000 miles; and
 - d. any other mechanical parts, meaning parts that wear out over time or have a finite useful life or duration typically shorter than the life of the vehicle as a whole, that are not functioning or operating. "Mechanical parts" do not include external crash parts, wheels, paint, windshields or other glass.
3. The salvage value if **you** or the **owner** retains salvage.
 4. Any custom equipment, meaning equipment, parts, devices, accessories, enhancements and/or changes to an **auto** or vehicle that:
 - a. Are not **original equipment**; and
 - b. Have been added to alter performance, function or appearance of the **auto**.

If coverage under this Part IV applies to a **temporary substitute auto**, then the Comprehensive Coverage or Collision Coverage that applies to the **insured vehicle** it temporarily replaces will apply, with the associated deductible.

We have no duty under Part IV of this Policy to cover or pay for any **diminution in value**.

We have no duty under Part IV of this Policy to cover or pay for any storage costs in excess of the storage **we** reasonably determine is the average or customary charge for such storage in the geographic area. **You** must authorize **us** to move any damaged **insured vehicle** to a storage facility of **our** choice at **our** expense. If **you** do not, **we** have no duty to pay any storage costs that are incurred but would have been avoided or reduced had the property been moved to a storage facility of **our** choice.

If **you** agree to have a **windshield** repaired at **our** expense after a **loss**, no deductible will be applied, and **we** have no duty to also:

1. Pay the **actual cash value** of that **windshield**; or
2. Replace that **windshield**.

There shall be no recovery of duplicate payments from **us** for the same elements of **loss**, expense or damage already paid:

1. Under any coverage or Part of this Policy; or
2. By any other insurance or any other source of recovery.

SETTLEMENT OF LOSS - COMPREHENSIVE & COLLISION

We may make payment directly to:

1. **You**, the **owner** of the property, or the loss payee/lienholder (if any is designated); or
2. A repair facility with **your** prior consent.

If **we** make a payment for theft or total **loss**, **you** or the **owner** must transfer the title of that property to **us** at or before the time of payment (unless **you** or the **owner** are keeping the salvage).

We may:

1. At **our** expense, return any stolen property to **you**, to the address shown on **your declarations page**, or to any other **owner**. If **we** return stolen property, **we** will pay for covered damage resulting from the theft.
2. Keep all or part of the property at an agreed or appraised value, but there shall be no abandonment of property to **us**.

We have no duty to keep or preserve salvage.

NO BENEFIT TO BAILEE

This Policy, and the coverages under it, shall not directly or indirectly benefit any carrier or other bailee for hire.

APPRAISAL

If **we** cannot agree with **you** on the amount of **loss**, either party may demand an appraisal of the **loss**. If a demand for an appraisal is made, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. The appraisers will separately determine the **actual cash value** and the

amount of **loss**. If the appraisers fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraisers. A decision agreed to by any two will be binding.

The appraisers and umpire have authority only to decide the **actual cash value** of the **auto** and the amount of the **loss**. They have no authority to:

1. Decide any coverage or policy issues under the Policy; or
2. Award any fees, interest or costs.

Each party will:

1. Pay its chosen appraiser; and
2. Equally share in the payment of the expenses of the umpire and appraisal.

Neither **we** nor **you** waive any of rights under this Policy by agreeing to an appraisal.

LOSS PAYEE

If a "loss payee" or lienholder is designated and shown on **your declarations page**, then a covered **loss** to an **insured vehicle** or a **newly acquired auto** under this Policy will be paid according to **your** interest and that of any such loss payee or lienholder, and subject to the applicable deductible. At **our** option, **we** may make separate payments according to those interests.

If **we** pay a repair shop directly for repair of a **loss** with **your** consent, **we** have no duty to the loss payee or lienholder with respect to that **loss**.

If the loss payee or lienholder makes a claim under this Policy, the loss payee or lienholder:

1. Must abide by all terms and conditions of this Policy; and
2. Has no greater rights than **you** to receive any payment.

We have no duty to make any payment to a loss payee or lienholder unless the **loss** is payable to **you** and all Policy terms and conditions have been met. The interest of the loss payee or lienholder will not be protected if:

1. A claim is denied due to a breach of any of the terms of this Policy or the duties owed to **us**;
2. Fraud, misrepresentation, material omission, intentional damage, or conversion, secretion and/or embezzlement of an **auto** has been committed by or at the direction of **you**, **your spouse**, a **relative**, an **additional driver**, any **insured** or any other **person** residing in **your** household; or
3. The **loss** is not otherwise covered under the terms of this Policy.

If **we** pay the loss payee, to the extent of the payment, **we** shall be subrogated to the loss payee's rights of recovery.

We may void or terminate this Policy according to its terms. Any such voiding or termination shall also void or terminate this agreement as to any loss payee's or lienholder's interest. **We** will give notice as required by law.

OTHER INSURANCE OR COVERAGE

If there is other similar coverage or source of recovery, the following apply:

1. **Policies/Coverage issued by Us**
 - a. If this Policy and any other **auto** or **motor vehicle** insurance Policy issued to **you** by **us** (or any insurers that have common ownership with **us**) provide this coverage and apply to the same **loss**, **our** limit of liability under all those policies shall not exceed the highest limit of liability that applies for such coverage under any one of those policies. The limit of liability may not be added, combined or stacked with similar coverage under any other **auto** or **motor vehicle** Policy issued by **us** (or any insurers that have common ownership with **us**).
 - b. When more than one coverage under this Policy applies to the **loss**, **you** may recover under the single broadest coverage, but no recovery is allowed under more than one coverage under this Policy.
2. **Coverage available from other sources**

- a. Subject to all other terms in this Other Insurance clause and the Policy, if any other insurance or source(s) of recovery cover the **loss**, **we** will pay only **our** share of any **loss**. **Our** share is the proportion that **our** Limit of Liability bears to the total of all applicable limits.
- b. However:
 - (1) When this Policy covers a **temporary substitute auto**, this coverage is excess to any other coverage or source of recovery, and **we** will not pay any amount under this coverage until after all other collectible insurance and source(s) of recovery have been exhausted by payment after the deductible under that other insurance has been met. **We** do not pay any portion of a deductible that applies under the other insurance on that **temporary substitute auto**.
 - (2) This Policy's coverage does not apply to a **newly acquired auto** if there is any other collectible insurance or source(s) of recovery on or applicable to that **newly acquired auto** except under a Policy issued by **us** or an insurance company that has common ownership with **us**.

PART V – TOWING AND LABOR COVERAGE

INSURING AGREEMENT

If **you** have paid the premium for Towing and Labor Coverage and it is shown on **your declarations page**, **we** will pay the fair cost incurred by **you** for towing and labor when an **insured vehicle** is **disabled**, subject to the following:

1. **You** are limited to six (6) occurrences per six (6) month policy period.
2. Labor on an **insured vehicle** must be performed at the place it becomes **disabled**.
3. **Our** limit is the per occurrence Towing and Labor Coverage limit shown on the **declarations page**.
4. This coverage does not apply when the **insured vehicle** becomes **disabled**:
 - a. more than 100 feet from a driveway or public road; or
 - b. at **your** residence.
5. If the labor is the delivery of fuel, oil, change of a tire, loaned battery or replacement key, **we** do not pay for the cost of any of these items.

DEFINITIONS FOR TOWING AND LABOR COVERAGE

Words and phrases shown in **bold face** type have the meaning set forth here when that word or phrase is used in this Towing and Labor Coverage, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

As used in this Towing and Labor Coverage "**disabled**" means the **insured vehicle** becomes inoperable due to:

1. mechanical or electrical breakdown;
2. battery failure;
3. lack of fuel, oil, or water;
4. flat tire;
5. lock-out; or
6. entrapment within 100 feet of a public road or highway.

EXCLUSIONS

THERE IS NO TOWING AND LABOR COVERAGE FOR:

1. Installation of products or materials not related to the reason the **insured vehicle** is **disabled**.
2. Labor not related to the reason the **insured vehicle** is **disabled**.
3. Labor in excess of sixty (60) minutes.
4. Towing or storage related to impoundment, abandonment, illegal parking, or other violations of law.
5. Towing from a service station, garage, repair shop or other **motor vehicle business**.
6. Labor or repair work performed at a service station, garage, repair shop or other **motor vehicle business**.
7. **Motor vehicle** storage charges.
8. A second service call or tow for a single occurrence.
9. The **insured vehicle** is **disabled** on roads not regularly maintained, sand beaches, open fields, or areas designated as not passable due to construction.

10. Mounting or removing of snow tires or chains.
11. The **insured vehicle** is **disabled** as a result of an intentional or willful act or actions by **you, your spouse, a relative, an additional driver, or the operator of the disabled insured vehicle.**

PART VI – ACCIDENTAL DEATH COVERAGE

INSURING AGREEMENT

If **you** have paid the premium for Accidental Death Coverage, **we** will pay the limit shown on the **declarations page** in the event of the death of an **insured** that is a direct result of **bodily injury** sustained in an **accident** arising from the ownership, maintenance, or use of an **insured vehicle**, subject to all Policy terms, if the death occurs within ninety (90) days of the **accident**.

No amount is payable under this coverage until after

1. **We** receive:
 - a. A copy of the **insured's** death certificate;
 - b. A sworn statement from the legal representative of the **insured's** estate which identifies all beneficiaries, heirs and legatees entitled to share in the benefit under this coverage and the proportion of each share; and
 - c. Written corroboration that the death resulted from **bodily injury** sustained in the **accident** if requested by **us**; or
2. **We** deem that **we** have received other sufficient proof.

DEFINITIONS FOR ACCIDENTAL DEATH COVERAGE

When shown in **bold** type in this Part VI, "**insured**" means **you, your spouse, relatives, and additional drivers**, even if the word is being used in the singular, plural, possessive or active or passive tense. However, "**insured**" does not include an **undisclosed operator**.

EXCLUSIONS

THERE IS NO COVERAGE UNDER ACCIDENTAL DEATH COVERAGE RESULTING FROM A **BODILY INJURY** RESULTING FROM AN **ACCIDENT**:

1. Incurred while **occupying** or through being struck by any motor vehicle (other than an **insured vehicle** that is insured for this coverage or a **newly acquired auto**) owned by, or furnished or available for the regular use of, **you, your spouse, a relative or an additional driver**.
2. To the extent worker's compensation benefits are required to be payable.
3. Incurred while **occupying an insured vehicle or a newly acquired auto** while it is:
 - a. rented, leased or subleased by **you, your spouse, a relative or an additional driver** to any other **person** or party.
 - b. being used as a public or livery conveyance.
 - c. being used for any transport of **persons** for compensation or a fee, or in the course of any similar for-profit activity. This exclusion applies to the pickup, carrying and drop off of **persons**. This exclusion also applies to use of a **motor vehicle** from the moment an **insured** participating in activities with a **transportation network company** logs on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application. This exclusion applies to any ride-share network or services, charter-party carrier services, passenger-stage company, car service, livery service or similar activity for any compensation, income, profit, fee, or charge paid by or for any occupant of the **motor vehicle**. This does not apply to a share-the-expense car pool or use for a charitable or volunteer purpose.
 - d. being used for any transport or delivery of property or goods for compensation or a fee by a driver participating in activities with a **transportation network company**, including from the time the driver logs on to the **transportation network company's** online-enabled application or platform until that driver logs off the online-enabled application.
 - e. being used for the wholesale or retail pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, mail, flowers or any other products.

- f. being used for snow removal.
 - g. parked and being used as a residence or premises.
 - h. towing a **trailer** which is used as an office, store, display, or recreational vehicle.
 - i. that occurs while an **insured vehicle** is being towed or is towing a **motor vehicle**.
4. Incurred while the **insured vehicle** is parked and being used as a residence or premises.
 5. Incurred while the **insured vehicle** is used in any **racin**g.
 6. Caused by **war**.
 7. That results from any type of **nuclear event**.
 8. Caused by, or arising out of the actual, alleged or threatened presence, growth, proliferation or spread of **fungus or mold**, without regard to the factors causing or contributing to its growth.
 9. Sustained by an **insured** due to **hazardous materials** being transported by an **insured**.
 10. Self-inflicted or caused by an intentional act of the **insured** or at the direction of the **insured**.
 11. Sustained by an **insured** in the commission of a **crime** by that **insured**.
 12. That arises out of the operation of a **motor vehicle** by a **person** who is listed as an excluded driver on the **declarations page**.
 13. That occurs to a **motor vehicle** while operated by a **person** who has never possessed a valid driver license or has a driver license that is revoked.
 14. That arises out of the use of any **motor vehicle** in any **business** or commercial activity. This does not apply to **your** use of an **insured vehicle** for which **you** have purchased Business Use Coverage if the use of that **auto** is within the scope of the **business** use that has been approved by **us** for Business Use Coverage.
 15. That arises out of the use of an **insured vehicle** in connection with a personal vehicle sharing program or other similar program that engages in the business of facilitating the sharing of **motor vehicles**.
 16. That occurs while an **insured** is not wearing a factory installed seat belt and lap or shoulder restraint, as verified by the investigating law enforcement officer.

LIMITS OF LIABILITY

The limit of liability shown on the **declarations page** for Accidental Death Coverage is the most **we** will pay in the event of the death of an **insured**.

PAYMENT OF BENEFITS

At **our** option, **we** will pay benefits under Accidental Death Coverage to:

1. **Your spouse** if that **person** survives **you** and was residing in **your** household at the time of **your** death; or
2. The legal representative of **your** estate named under **your** Last Will And Testament, or who is otherwise appointed by a court with jurisdiction.

DUTIES

DUTY TO GIVE NOTICE

Any failure to give notice to **us** or to law enforcement authorities as required by this Policy, or any failure to perform a duty listed in this Policy, may result in a partial or total denial of coverage under this Policy.

ALL PERSONS AND INSUREDS TO WHOM COVERAGE MAY APPLY MUST GIVE PROMPT NOTICE TO **US** OF ANY:

1. **Accident or loss:**
We, or **our** authorized agent, should be given notice immediately or as soon as practicable after any **accident** or loss as to the fact it took place, and the time, place and date of its happening.
 As soon as known or as soon as practicable after known, also give **us** the following details:
 - a. all names and other relevant information of who was involved in the **accident** or loss. This also includes, but is not limited to, witness, injury and loss information (names, addresses and telephone numbers of any injured **persons** and witnesses);
 - b. license plate information of vehicles involved or vehicle descriptions;

- c. all known driver license information of **persons** involved;
 - d. any law enforcement action taken;
 - e. driving conditions; and
 - f. any other relevant information.
2. **Claim or lawsuit:**
We must be given prompt and timely notice of any:
- a. claim being brought; or
 - b. lawsuit that has been or is being filed;
- that may affect this Policy and the benefits and rights under it. Copies of all notices, summons and/or other legal papers and process, either sent or received, in connection with any **accident** or loss also must be given to **us**.

Notice to **our** authorized agent is notice to **us**.

GIVE PROMPT NOTICE TO LAW ENFORCEMENT WITHIN 24 HOURS OR AS SOON AS PRACTICABLE OF ANY ACCIDENTS OR LOSSES THAT INVOLVE:

- 1. Vandalism or theft;
 - 2. Hit-and-run vehicles; or
 - 3. Unidentified at-fault drivers;
- and complete an official report to a law enforcement agency with jurisdiction.

DUTY TO COOPERATE

You, your spouse, relatives, additional drivers, and “insureds” under any Part of this Policy, and any other **person** or party seeking coverage from this Policy (or any such **person’s** or party’s legal representative) must cooperate in all matters with **us**, provide information to **us**, and comply with all notice requirements, duties and terms set forth in this Policy, and help **us** settle any and all claims.

As needed to settle a claim, any such **person** or party must:

- 1. Take reasonable steps after damage to or loss of property to:
 - a. protect all property insured from further damage or loss. **We** will pay reasonable expenses incurred to protect that property;
 - b. preserve, to the extent possible, any and all damaged property for inspection; and
 - c. prevent costs when not necessary including, but not limited to, storage fees, impound fees, and parking fees.
- 2. Allow **us** to inspect and/or take pictures or video of:
 - a. any **auto** or vehicle being used at the time of, or that was involved in, an **accident** or **loss**; and
 - b. all damage to or loss of property so it can be appraised before repair, replacement or disposal.
- 3. Give **us** proof of loss or claim, and under oath, if so required by **us**.
- 4. Cooperate with **us** to investigate, settle and/or defend any claim, arbitration, mediation, appraisal or lawsuit, and help **us** as needed to:
 - a. make settlements;
 - b. get or secure evidence;
 - c. give evidence;
 - d. obtain the attendance of witnesses at hearings, depositions and trial; and
 - e. conduct arbitration, mediation, appraisal or lawsuits.
- 5. Give **us** as often as **we** reasonably request:
 - a. current and prior **accident**, loss, **bodily injury** and treatment information; and
 - b. written authorization to obtain any such information **we** find is relevant or may lead to relevant information.
- 6. Provide medical authorizations and submit to physical and mental exams, to be done at **our** expense by licensed health care providers **we** select, as often as **we** may reasonably require.
- 7. Give **us**, or allow **us** to get, written and/or recorded statements as often as **we** reasonably require.
- 8. Give **us**, and allow **us** to get with written authorization to be given to **us** by any **person** seeking coverage under this Policy, any and all relevant records and/or documents (or copies thereof) including, but not limited to:
 - a. medical records and reports, including current reports, notes and tests results, records of prior medical history and treatment, therapy records, and counseling records;
 - b. credit and financial records;

- c. photographs;
 - d. telephone, including cellular, text messaging and all other telephonic communication records, including billing records;
 - e. employment, income and/or wage information;
 - f. current and prior insurance claims records; and
 - g. other records, receipts and/or invoices deemed by **us** to be relevant to investigate or settle a claim.
9. Allow or authorize **us** to get any information on any data, video device, maintenance or event recorder device installed or used in an **auto** as **we** deem relevant to the facts of the **accident** or loss. This may include information on, but is not limited to, any on-board computer, global positioning system ("GPS") or data recorder.
 10. Make a statement under oath or take an examination under oath ("EUO"), in which case, it will be:
 - a. at a reasonable location of **our** choice;
 - b. conducted by **us**, or **our** representative, as often as **we** reasonably require;
 - c. outside the presence of any witness, **person** or party making a claim due to the same **accident** or loss, or any other **person** except for:
 - (1) that **person's** legal counsel; and
 - (2) if the **person** giving the EUO is a minor, that **person's** parent or guardian; and
 - d. video and/or audio, or court reporter, recorded as **we** so choose.

We may also require a statement under oath or an EUO from:

 - a. **you, your spouse**, any **relative**, any **additional driver** and any **person** who is insured under any Part of this Policy who may be able to help **us** to get relevant information, even if that **person** is not claiming benefits under this Policy; or
 - b. any health care provider rendering services for which benefits are sought under this Policy.
 11. Not admit fault, assume any obligation to other **persons** or parties, incur any expenses (other than first aid to others) nor prejudice **our** rights in any way.
 12. To the extent that uninsured motor vehicle and/or underinsured motor vehicle coverage is being sought:
 - a. report the **accident** to **us** within 20 days of the **accident**;
 - b. promptly notify **us** in writing of an offer of settlement between the insured and the **owner**, operator or insurer of the uninsured or underinsured motor vehicle; and
 - c. allow **us** 30 days after notice to **us** of any offer of settlement to advance payment to that insured in an amount equal to the offer, to preserve **our** rights against the insurer, **owner**, and driver of any uninsured or underinsured motor vehicle.

DUTY TO REPORT CHANGES

The following duties are a condition of this insurance:

1. **POLICY CHANGES BY YOU.** **You, or your spouse** if **your spouse** is a listed driver on this Policy, must promptly, and no later than 30 days after the date of a material change affecting this insurance or the premium due, give **us** or **our** agent notice of changes that may affect the risk **we** have assumed or the premium **we** charge for this insurance. Changes that must be promptly reported, and may result in an increase or decrease of **your** Policy premium, include, but are not limited to:
 - a. Changes to the number, type, and/or use of **autos** or other **motor vehicles** that are principally garaged at **your** address or at **your** household.
 - b. Changes to the garaging address of any **insured vehicle**.
 - c. **You, your spouse**, a **relative** or an **additional driver** purchases or takes possession of a **newly acquired auto**.
 - d. A **person** who was not listed as a driver on this Policy becomes **your spouse**.
 - e. A **person** who was not listed as a driver on this Policy **resides** in **your** household.
 - f. A person residing in **your** household reaches the age of eligibility for a learners or driver license.
 - g. Changes to the persons of legal driving age residing in **your** household.
 - h. Changes to the number of **relatives** or other regular operators using any **insured vehicle**.
 - i. A change to the marital status of **you**, a **relative**, an **additional driver**, a resident of **your** household, or a driver listed on this Policy.
 - j. Changes to the actual or beneficial ownership or registration of any **insured vehicle**.
 - k. Changes to the driver license status, driving history (including the number of accidents a **person** has been involved in, whether or not at-fault, and any convictions for violating the vehicle or penal laws as related to operation of a **motor vehicle**), accident history or marital status of **you** or any **person** who **resides** in **your** household or who regularly operates an **insured vehicle**.

- I. Any change to **your** mailing address, the address where **you reside**, and/or the principal place where **you** garage any **auto** or **motor vehicle** insured under this Policy.

Only **you** may request changes that require **your** signature on a state-mandated form in order to make the change in the Policy or coverage(s).

Any change that increases **our** liability must have **our** prior approval.

2. **POLICY CHANGES BY US.** This Policy, **your Application** (which is made a part of this Policy as if attached hereto), the **declarations page**, as may be amended by **us**, and endorsements to this Policy issued by **us**, contain all the agreements between **you** and **us**. Any changes to the terms of this Policy contract must be agreed upon in writing by **us**. This can be done by **our** issuance of a revised **declarations page**, an endorsement, or a revised Policy. If **we** make a change to this Policy during the Policy period that:
 - a. Expands any coverage without an additional premium charge, **you** will have the expanded coverage effective the date **your** policy first renews after the date **we** implement that change in **your** state.
 - b. Both expands and limits coverage, and is to be implemented with a general program revision, it will be given to **you** and effective upon renewal.
3. **PREMIUM CHANGES.** If a change to **your** Policy requires a premium adjustment or other action, **we** will:
 - a. Adjust the premium or take required action, to be effective the date of the change, in accord with **our** Rules; and
 - b. Give **you** notice of the premium or other change.The premium due for this Policy is based on information **we** have received from **you** and other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete. If this information is incorrect, incomplete, or changes during the policy period, **we** may adjust **your** premium during the policy period, or take other appropriate action. A premium increase may result from **our** payment of a claim under this Policy or any other reason that is not otherwise specified above in the Duty to Report Changes section here if it is both lawful and not unfairly discriminatory.

CLAIMS SETTLEMENT

To adjust claims and determine amounts to be paid under this Policy, **we** may use estimating, appraisal or injury evaluation records, systems or tools. These records, systems or tools may be developed by **us** or by third parties, and may include, but are not limited to, published resources, medical fee schedules, and/or computer software, databases, and specialized technology.

GENERAL PROVISIONS

POLICY PERIOD

This Policy applies only during the Policy period shown on the **declarations page**, and ends at 12:01 A.M. in the time zone that applies to the address shown on the **declarations page**.

This Policy does not apply:

1. During any lapse in coverage under this Policy, including the period between the date and time of cancellation of this Policy and the date and time of any reinstatement of this Policy; or
2. After this Policy has been cancelled or otherwise terminated.

If **you** apply for coverage on the same day the Policy is to start, no coverage shall apply on that first day of the initial Policy period before the time **you** apply for coverage and **we** accept the risk.

POLICY TERRITORY

This Policy applies to **accidents** and loss that take place only in the Policy territory. The Policy territory is:

1. The United States of America, its territories and possessions;
2. Canada and its provinces; and
3. While the **insured vehicle** is being shipped between their ports.

There is no coverage under any Part of this policy for bodily injury, property damage, loss or expense that occurs

within the Republic of Mexico.

TRANSFER OR ASSIGNMENT

You may not transfer or assign any of **your** interests, rights and/or duties under this Policy except as allowed by the express terms of this Policy for assignment of benefits under Excess Medical Expense Coverage.

This Policy cannot be transferred to another **person** or organization without **our** written consent. However, if a **named insured** shown on the **declarations page** dies during the Policy period, coverage, other than Accidental Death Coverage, will be provided for:

1. **Your spouse** if that **person** survives **you** and was residing in **your** household at the time of **your** death. Coverage applies to that **spouse** as if he or she were a named insured shown on the **Declarations**; and
2. Any **person** with legal custody of an **insured vehicle**, until a legal representative is qualified; and thereafter, **your** legal representative, but only with respect to and within the scope of, such representative's legal duty to maintain or use an **insured vehicle** as **your** representative.

After death of the **named insured**, this Policy may not be renewed and will terminate at the end of the Policy period.

Coverage shall not apply under this Policy to any **auto** that is not an **insured vehicle** own by **you** or **your spouse** on the date of **your** death.

Anyone who obtains any interest in this Policy, or its benefits, is subject to all the terms and conditions of the Policy. Policy notice requirements are met by mailing the notice to **your** last known address in **our** records.

JOINT & INDIVIDUAL INTERESTS

When there are two or more **named insureds** shown on the **declarations page**, each acts for all to cancel or change the Policy. The action of one **named insured** is binding on all **persons** and parties under this Policy.

BUSINESS USE COVERAGE

Use of an **auto** or other vehicle in the scope or course of a **business** is not covered under this Policy unless:

1. **You** disclose that use to **us**;
2. That use is eligible for Business Use Coverage under **our** Rules; and
3. **You** pay **our** Business Use Surcharge.

If **we** determine that **you** are eligible, and **you** pay **our** Business Use Surcharge, the exclusions that apply for use of an **auto** in a **business** will not apply to that disclosed use of an **insured vehicle** for which the surcharge has been paid when the **insured vehicle** is used:

1. To convey **you** from one location to another;
2. During and in the course and scope of **your** employment in that **business**; and
3. At the direction of **your** employer.

No other commercial or **business** use of an **auto** or any other vehicle in connection with a **business** will be covered.

An **insured vehicle** is not eligible for any **business** use except when **you** pay the Business Use Surcharge for that **auto**:

1. For consumer-oriented sales, service or direct home sales.
2. To transport tools or other materials used in a trade or business if:
 - a. no more than three (3) job sites are visited per day; and
 - b. there is no transport of chemicals, or explosive, toxic or flammable materials.
3. For rare business-related errands that do not include:
 - a. the transportation of passengers, clients or customers, prospective clients or customers, patients, or children or elderly persons whose care has been entrusted to **you** or **your** employer;
 - b. the pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, or any other products; or
 - c. snow removal.

PREMIUM PAYMENT

All premium, and any fees or charges that apply, must be paid when due for coverage to apply. This coverage and benefits under this Policy are conditioned on **our** receipt of the full and valid payment of the initial down-payment of premium.

If **your** initial premium payment is by check, draft, credit card, ACH, EFT or any remittance other than cash, coverage under this Policy is conditioned upon the check, draft, or remittance being honored upon presentment to the bank or other financial institution. If the check, draft, or remittance is an **uncollectible instrument** or **not honored upon presentment**, this Policy will be deemed void from its inception – which is as if the Policy never existed. This means that **we** will not be liable under this Policy for any coverage, claims, **loss**, expenses or damages which would otherwise be covered if the check, draft, or remittance had been honored upon presentment.

If **we** are required by law to make any payment after **we** void this Policy, **you** must pay **us** for all expenses incurred and payments made.

If **your** installment payment is by check, money order, MoneyGram, Ace Cash Express, draft, credit card, debit card, electronic funds transfer (EFT), ACH or other remittance, and it is an **uncollectible instrument** or **not honored upon presentment**, this Policy will be cancelled at the hour and date shown on the Notice of Payment Due / Notice of Cancellation that would have applied to the payment that was not honored.

If **your** renewal payment is by check, draft, or any remittance other than cash, coverage under this Policy will not renew or continue if the check, money order, MoneyGram, Ace Cash Express, draft, credit card, debit card, electronic funds transfer (EFT), ACH or other remittance, and it is an **uncollectible instrument** or **not honored upon presentment** to the bank or other financial institution.

If a check, draft, or remittance is an **uncollectible instrument** or **not honored upon presentment**, a service charge will be added to **your** account.

LATE PAYMENT

To continue **your** coverage without interruption or lapse, **your** installment or renewal premium payment must be received in **our** office prior to the payment due date shown on any Notice from **us**. Payment effective dates and times vary according to the payment method:

1. Payments made through the Safe Auto Check by Phone system are effective the date and time the checking account information is relayed to the Customer Service Representative or **our** Automated Attendant.
2. Payments made through money wire services are effective the date and time printed on the receipt.
3. Payments made via credit card are effective the date and time the transaction is approved by the creditor.
4. Payments mailed via the United States Postal Service with a legible postmark are effective at 12:01 A.M. in the time zone of **your** address in **our** records, the day after the postmark date shown on the payment envelope.
5. Payments made via an overnight carrier with a legible received date and time are effective the day and time the overnight carrier receives the payment.
6. Payments mailed via the United States Postal Service with an illegible postmark or no postmark are effective at 12:01 A.M. in the time zone of **your** address in **our** records, the day **we** receive the payment envelope.
7. Payments delivered by an overnight carrier with an illegible received date and time or no received date and time are effective at 12:01 A.M. in the time zone of **your** address in **our** records, the day **we** receive the payment envelope.
8. Payments delivered via a same day carrier are effective the date and time **we** receive the payment in **our** office at the address required by **our** notice to **you** for payment.
9. Internet-based check payments are effective the date and time the payment information is received by Safe Auto Insurance Company and the “make check payment” button is clicked.
10. Internet-based credit card payments are effective the date and time the transaction is approved by the creditor.

We reserve the right to refuse to accept late payments on policies that have cancelled. If **we** do not accept **your** late payment, **we** may deposit **your** check and will then issue a refund of any amount due to **you** after the termination of the Policy.

POLICY NON-RENEWAL

1. **NAMED INSURED'S NONRENEWAL:**

If **we** offer renewal of the Policy and **we** do not receive the renewal premium payment when due, the nonpayment shall be deemed the **named insured's** rejection of **our** offer to renew the Policy, and **named insured** agrees that the Policy will expire and lapse under its own terms and automatically end at the end of the current Policy period. This will not apply if **we** agree to accept late payment after, and subject to, a lapse in coverage.

2. **OUR RIGHT NOT TO RENEW THIS POLICY:**

We may decide not to renew or continue this Policy at the end of the Policy period shown on the **declarations page**, and as allowed by law, as follows:

- a. If **we** decide not to renew or continue this Policy at the end of a Policy period, **we** will give **you** notice. Notice will be given at least thirty (30) days before the end of the Policy period.
- b. If **we** give **you** notice that **we** will not renew this Policy, **you** are obligated to make any outstanding premium installment payments when due for the remainder of the policy period.
- c. **We** may decide not to renew or continue this Policy at the end of the Policy period shown on the **declarations page** for one or more of the following reasons:
 - (1) Due to a substantial increase in the hazard insured against, which may include:
 - (a) **Accident** involvement by an insured (whether the insured is at fault or not at fault in the **accident**);
 - (b) A change in, or an addition of, an **insured vehicle**;
 - (c) A change in, or addition of, an insured **person** under the Policy;
 - (d) A change in the location of garaging of an **insured vehicle**;
 - (e) A change in the use of an **insured vehicle**;
 - (f) Convictions for violating any provision of the California Vehicle Code or Penal Code relating to the operation of a **motor vehicle**;
 - (g) **Our** payment of any claim made under this Policy; or
 - (h) Because **you, your spouse, relatives, additional drivers** or a principal or occasional driver of **your insured vehicle**, have been assessed points as follows:
 - (i) A total of three or more violation points under Section 2632.13 (at-fault accidents) of the California Code of Regulations within the preceding 36 months and, at the time of the expiration of **your** current policy, and **you** are not eligible under **our** then-current underwriting rules to purchase a policy of private passenger auto insurance from **us**; or
 - (ii) Two or more points under Section 2632.13 (at-fault accidents) of the California Code of Regulations as a result of a violation of the California Vehicle Code for which two points are assessed under California Vehicle Code Section 12810, as amended.

Traffic violation points may be counted only for violations that have conviction dates not more than 36 months preceding the renewal date of the policy;
 - (2) Any reason listed for cancellation of the Policy by **us** under the "Policy Cancellation" clause below of this Policy; or
 - (3) Any other reason that is not specified above if that reason is both lawful and not unfairly discriminatory.

POLICY CANCELLATION

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

1. **YOUR RIGHT TO CANCEL THIS POLICY:**

You may cancel this Policy by:

- a. Giving **us**, or **our** authorized agent, advance written notice stating a future date and time on which **you** are requesting the Policy to be cancelled; or
- b. Any other means **you** and **we** agree upon.

Cancellation by **you** shall be binding as to all **named insureds** and all others who could be insured under this Policy.

2. **OUR RIGHT TO CANCEL THIS POLICY:**

We may cancel this Policy during the Policy period, as allowed by law, as follows:

- a. If **we** decide to cancel this Policy during the Policy period, **we** will mail notice of cancellation to the first **named insured** shown on the **declarations page** at the last address shown in **our** records. This notice will be mailed at least:
- (1) Ten (10) days notice before the effective date of cancellation if cancellation is for nonpayment of premium when due;
 - (2) Twenty (20) days notice before the effective date of cancellation in all other cases.
- The earliest effective date and time shown in any notice of cancellation shall be the end of the Policy period.
- b. **We** may cancel only for one or more of the following reasons:
- (1) Nonpayment of premium when due;
 - (2) For material misrepresentation or fraud affecting the Policy or an insured as follows due to **our** discovery of:
 - (a) Fraud by the **named insured** in pursuing a claim under the Policy; or
 - (b) Material misrepresentation of any of the following information concerning the **named insured** or any resident of the same household who customarily operates an automobile insured under the Policy:
 - (i) Safety record;
 - (ii) Annual miles driven in prior years;
 - (iii) Number of years of driving experience;
 - (iv) Record of prior automobile insurance claims, if any; or
 - (v) Any other factor found by the commissioner to have a substantial relationship to the risk of loss.

Any insured who negligently misrepresents information described directly above in this paragraph may avoid cancellation by furnishing corrected information to **us** within twenty (20) days after receiving notice of cancellation and agreeing to pay any difference in premium for the Policy period in which the information remained undisclosed. This shall not waive any of **our** rights to otherwise void the policy;
 - (3) Due to a substantial increase in the hazard insured against, including **your** driver license or motor vehicle registration or the license or registration of any driver who:
 - (a) **Resides** with **you**; or
 - (b) Customarily uses an **insured vehicle**; has been revoked, suspended or has expired, and it is not reinstated prior to the time that **our** cancellation of the Policy becomes effective, unless that **person** is a named excluded driver. This reason must have occurred during the Policy period or, if the Policy is a renewal, during its Policy period or the 180 days immediately preceding its effective date;
 - (4) Due to a substantial increase in the hazard insured against, including the fact that an **insured vehicle** is:
 - (a) Changed in the type of use to commercial use, such as used in carrying passengers for hire or compensation (however, this shall not apply to a shared-expense car pool) or used in the **business** of transportation of flammables or explosives;
 - (b) In such a condition that it becomes a substantially greater risk to insure, including the altering of that **auto** to increase speed or acceleration capabilities which renders the **auto** unsafe in violation of California Vehicle Code Section 24002, as amended;
 - (c) Subject to inspection by California law or federal safety requirements and has not been inspected or, if inspected, has failed to qualify if that failure is not removed prior to the time that **our** cancellation of the Policy becomes effective;
 - (5) Due to a substantial increase in the hazard insured against, including the fact that **you** did not inform **us** or **our** agent about any physical disability or physical or mental medical condition or change in medical condition that could impair the ability of **you** or any driver insured under this Policy to operate a vehicle safely during the 36 months preceding the effective date of this Policy or any Policy renewal date, but only if:
 - (a) the California Department of Motor Vehicles has for that same reason suspended, revoked, or refused to issue a license pursuant to suspension of a license, and the suspension is not removed prior to the time that the nonrenewal or cancellation of the Policy becomes effective; or
 - (b) a physical disability is at issue and **you** or the affected driver insured under this Policy has failed to comply with a requirement of the California Department of Motor Vehicles, or the appropriate agency in the state that has issued the driver's license for that

- insured, regarding vehicle equipment or modification of the vehicle;
- (6) Due to a substantial increase in the hazard insured against, including the fact that **you** or any listed driver insured under this Policy has been convicted of any alcohol-related offense specified in Sections 23152; 23153; 23220; 23221; 23222; 23224; or 23226 of the California Vehicle Code, as amended, provided that **person** does not otherwise qualify to purchase a good driver discount policy pursuant to Section 1861.025;
 - (7) Due to other substantial increases in the hazard insured against, including the following:
 - (a) The refusal or failure by the insured to give **us**, within 30 days after reasonable written request to the insured, information needed to accurately underwrite or classify the risk; or
 - (b) Permissive use of **your insured vehicle** by **persons** other than the insured and principal or occasional drivers of **your insured vehicle**, to an extent that indicates regular use of **your insured vehicle** by those **persons**; or
 - (8) Any other reason allowed by law.

Nothing in this Cancellation clause shall supersede or waive any of **our** rights with respect to void this Policy due to material misrepresentation or omission.

CANCELLATION REFUND

Upon cancellation, **you** may be entitled to a premium refund, but, **our** making or offering of a refund is not a condition of cancellation. If this Policy is cancelled, any refund due will be computed on a daily pro-rata basis. If this Policy is cancelled at **your** request, a cancellation charge applies.

AUTOMATIC TERMINATION

Coverage for an **insured vehicle** shall automatically terminate, and the Cancellation and Nonrenewal terms of this Policy do not apply when:

1. A **person** other than **you**, **your spouse**, a **relative** or an **additional driver** becomes the **owner** of the **auto** or **motor vehicle**; or
2. No one in **your** household has an insurable interest in the **insured vehicle**. This occurs when a **person** or party, other than **you**, **your spouse**, a **relative** or an **additional driver** becomes the **owner** of an **insured vehicle**. In this case, coverage for that **auto** will end at the earlier of the time the:
 - a. new **owner** obtains possession; or
 - b. ownership is conveyed to the new **owner**.
3. **You** get other **motor vehicle** insurance on the **insured vehicle**. In this case, any similar insurance provided by this Policy will end, but only as to that **auto**, on the effective date of the other **motor vehicle** insurance.
4. **You** reject **our** offer to renew or continue this Policy by not paying the required renewal or continuation premium when due. In this case, **you** have allowed the Policy to expire and lapse under its own terms so that it automatically ends at the end of the current Policy period.

NON-DIVISIBILITY OF POLICY TERMINATION

Except for an Automatic Termination event, this Policy is neither divisible nor severable. This means that if this Policy is terminated by its terms or by operation of law, that termination will be effective for all coverage, all **autos**, **insured vehicles** and **motor vehicles**, and all **persons**, even if the reason for termination pertains only to one coverage, one **insured vehicle** or one **person**.

PROOF OF NOTICE

Any proof of mailing by U.S. Mail or electronic delivery shall be sufficient proof of notice, unless contrary to law. The mailing or delivery of any notice required under this Policy or by law will be considered effective notice if mailed or delivered to **your** last known address in **our** records. As allowed by law, sufficient proof of notice can be proof of:

1. Mailing, which means sufficient evidence that a notice or paper has been presented to the United States Postal Service for mailing. This includes, but is not limited to, any:
 - a. Form of certificate of mailing or certificate of bulk mailing issued by the United States Postal Service; or
 - b. Intelligent mail barcode or another similar tracking method used and approved by the United States Postal Service; or
2. Delivery directly to **you**, including delivery via e-mail or any type of electronic device.

TERMS OF POLICY CONFORM TO STATE LAW

If any of the terms of this Policy:

1. Do not comply with the legal requirements of the state listed on **your application** as **your** resident address, Policy terms are deemed amended to comply with those state law legal requirements.
2. Are found invalid by a court with proper jurisdiction, then that Policy term(s) is amended so that it:
 - a. does not apply to the portion of the damages or loss that is less than or equal to **minimum limits** or minimum amounts of coverage required by law; and
 - b. continues to apply to the portion of the damages or loss that is greater than **minimum limits** or minimum amounts of coverage required by law.

All other Policy terms remain unchanged and shall be given full force and effect. Any disputes as to the coverages provided or the interpretation of this Policy contract shall be governed by the law of the state listed on **your application** as **your** residence.

If **we** fail to give the **named insured** either an offer of renewal or notice of nonrenewal, as required by California insurance law (as amended), the existing policy, with no change in its terms and conditions, shall remain in effect for 30 days from the date that either the offer to renew or the notice of nonrenewal is delivered or mailed to the **named insured**. However, the policy shall terminate on the effective date of any other replacement or succeeding automobile insurance policy procured by **you**, or **your** agent or broker, with respect to any automobile designated in both policies.

ELECTRONIC SIGNATURES

As allowed by law, **you** and **we** agree that electronic signatures, notices and forms:

1. May be used to transact this insurance;
2. Will satisfy any legal or other requirement for written signatures, notices or forms; and
3. Shall include, but are not limited to, any assent, acceptance, agreement, election, selection, rejection, notice or form done as a recorded telephonic signature or assent or sent via e-mail, internet, text message or fax.

When a law requires a signature on any form or document, or letter or document to be notarized, verified or acknowledged or made under oath, the electronic signatures will satisfy this requirement if the signature of the **person** authorized to perform the service of notarizing, verification, or acknowledgment is attached or logically associated with the signature or electronic signatures of record.

LEGAL ACTION AGAINST US

We may not be sued unless there is full compliance with all the terms of this Policy. Any lawsuit against **us** by **you**, **your spouse**, a **relative**, an **additional driver** or any **person** who is insured under any Part of this Policy must be commenced within the time period after an **accident** that applies to **bodily injury** under the statute of limitations in the laws of the state listed in **our** records as **your** principal address. However, no cause of action shall accrue to an **insured** under Part III – UM/UIM against **us** as to an **accident** involving an **uninsured motor vehicle** (though not an **underinsured motor vehicle**) that causes **bodily injury** and gives rise to a claim under that coverage unless one of the following actions have been taken within two (2) years from the date of the **accident**:

1. Suit for **bodily injury** has been filed against the **owner** or driver of that **uninsured motor vehicle**, in a court of competent jurisdiction;
2. Agreement as to the amount due under the policy has been concluded; or
3. The **insured** has formally instituted arbitration proceedings by notifying **us**, or **our** agent for process, in writing sent by certified mail, return receipt requested.

With respect to Liability Coverage:

1. No **person** or party has any right to bring **us** into any action to determine the liability of an **insured** under the Liability Coverage of this Policy.
2. **We** may not be sued until:
 - a. **we** agree in writing that an **insured** under Liability Coverage has an obligation to pay for damages due to a covered **accident**; or
 - b. the amount of that obligation has been finally determined by judgment after actual trial and appeal (if any).

3. If a judgment is secured against that **insured**, then an action may be brought against **us** by the judgment creditor to recover on that judgment an amount not to exceed **our** limit of liability and subject to all policy terms.

We have no duty to:

1. Retain or preserve salvage and/or property or parts for any purpose, including for use as evidence in any civil or criminal proceeding; or
2. File any appeal. Though, **we** reserve the right to file an appeal if any part of a judgment impacts this Policy.

SUBROGATION AND RIGHTS TO RECOVER

If **we** make a payment under this Policy to or for the benefit of anyone who is an **insured** under any coverage part, then to the extent of that payment made by **us**:

1. The right of recovery of any such **person** or party passes to **us**, and **we** will be subrogated to all the rights of recovery that such **person** or party has against another.
2. If that **insured** recovers loss or damages from a responsible or at-fault **person** or party, or their insurer, the **insured** or their representative shall hold the proceeds of that recovery in trust for **us** and reimburse **us**.
3. Which is not actually covered by this Policy but is required by law, then (to the extent allowed by law) **you** must reimburse **us** to the full extent of all damages or loss paid by **us** as well as **our** claims adjustment expenses.

Our rights, as listed directly above, shall be considered a first priority claim to be paid before any other claims which may exist are paid, including but not limited to claims by any **person** for general damages. **Our** priority right to recover will apply whether or not that **person** has been "made whole" and fully compensated for all damages. However, amounts owing to **us** are subject to a reduction for an equitable pro-rata share of the reasonable expenses and fees due to a lawsuit brought by the **person** to or for whose benefit the payment is made to recover proceeds from an at-fault party.

That **insured** must:

1. Cooperate with **us** by doing whatever is needed to protect **our** interests and rights to recover **our** payment if there is another responsible or at-fault **person** or party. This cooperation may include, but is not limited to, filing legal papers and taking action as requested by **us** to recover **our** payment;
2. Sign and deliver to **us** any legal papers relating to that recovery;
3. Do whatever else is necessary to help **us** exercise those rights; and
4. Not do anything after the **accident** or **loss** to harm **our** interests and rights.

Notwithstanding the above, if and when required by law, **our** rights to recover do not apply as to a payment made under:

1. Part II – Excess Medical Payments Coverage, as to a **person** who is at-fault for causing an **accident** for which a payment was made under that coverage.
2. Part III – UM/UIM, as to the **owner** or driver of an **underinsured motor vehicle** (as defined in that part of the Policy).

If **we** seek recovery from an at-fault or liable **person** or party:

1. **You** agree to allow **us** to seek recovery of any deductible that may apply.
2. **We** have the right to compromise or settle the deductible and property damage claims against the responsible or at-fault **person** or party for less than the full amount. For those sums, **you** agree to be bound by the:
 - a. settlement agreement entered into by **us** and that **person** or party; or
 - b. outcome of appraisal or arbitration.
3. **We** will share subrogation recoveries on a proportionate basis with **you**, unless **you** have otherwise recovered the whole deductible amount. However, if the total recovery is less than the total of **our** payment and the deductible, **we** will reduce reimbursement of the deductible to **you** based on the proportion that the actual recovery bears to the total of **our** payment and the deductible.
4. Any reimbursement to **you** by **us** will be reduced by a proportionate share of expenses and lawyer fees incurred due to **our** use of an outside attorney or collection agency to collect the recovery.

TWO OR MORE POLICIES ISSUED BY US

If this Policy, or any other policies issued by **us**, or any company affiliated with **us**, insure **you** as a Named Insured or an additional insured, and apply to the same **accident** or **loss**, the aggregate limit of liability under all such policies shall not exceed the highest applicable limit of liability under any one policy.

EMERGENCY SERVICES EXCLUSION

We will not pay any emergency response service charges, fees or assessments from fire department, emergency services or law enforcement agency responding to an **accident**. However, this does not apply to emergency ambulance services.

MISREPRESENTATION, CONCEALMENT OR FRAUD

This Policy was issued in reliance upon the information provided on **your** insurance **application**. This includes, but is not limited to information about:

1. The driver license status, driving history and insurance history of **you**, **your spouse**, **relatives**, **additional drivers** and other **persons** residing in **your** household;
2. **Your** marital status;
3. The **motor vehicles** to be insured; and
4. The principal garaging address of **insured vehicles** and the address where **you** reside.

OUR RIGHT TO RESCIND

We may rescind and void this Policy from its inception if in the initial **application**, whether made intentionally or knowingly, or inadvertently, unknowingly or otherwise not intentionally, **you** or **your** representative:

1. Made incorrect or untrue statements or representations to **us** or **our** authorized agent as to any material fact or circumstance;
2. Concealed, omitted or misrepresented any material fact or circumstance; or
3. Engaged in fraudulent conduct.

A fact or circumstance is material if **we** would not have issued the Policy, would not have agreed to insure the risk or would not have insured it at the premium initially charged.

If **we** void or rescind this Policy:

1. The Policy will be void from its inception as if the contract was never formed, never existed and the Policy never issued.
2. There is NO coverage for any claims, damages or **loss** that would have otherwise been covered. However, if **we** do not review **your application** in a timely manner and there is material misrepresentation, concealment or fraud in or related to **your application** for which **we** can void this Policy, **our** rescission and voiding of this Policy for that reason will not prevent liability coverage under Part I as to an otherwise covered claim for payment to be made to an innocent injured third party, but such coverage shall be:
 - a. only as required by law for an **accident** that occurs before **we** notify the **named insured** that the policy is void; and
 - b. limited to the amount of damages that is less than or equal to the **minimum limits** for **bodily injury** and **property damage** to an innocent injured third **person** or party.
3. **You** are responsible to repay **us** for all:
 - a. amounts **we** are required by law to pay, and related expenses, if law requires **us** to protect any innocent third parties or requires **us** to pay any other amount; and
 - b. **our** lawyer fees, costs and expenses if **you**, or **your** assignee or representative, dispute **our** right to rescind and **we** prevail in any legal action to resolve that issue.

OUR RIGHTS TO DENY COVERAGE AND END THE POLICY

We will not provide coverage or benefits for any **person** or party who has:

1. Misrepresented, concealed, omitted or misstated a material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Aided, abetted or directed any behavior of the type listed in clause 1 or 2 above;

in connection with this Policy or any **accident**, loss or claim under it. If **we** deny coverage due any of the reasons listed above, **you** must reimburse **us** if **we** made or make a payment. **We** may also cancel, non-renew or otherwise terminate this Policy, as allowed by law, for any such acts.

NAMED DRIVER EXCLUSION

If **you** have asked **us** to exclude any **person** from coverage under this Policy, or a driver is excluded in lieu of cancellation or non-renewal as required by the laws of the state where you **reside**, then **we** will not provide coverage under any Part of this Policy, and not defend any **insured** under Part I, for any claim arising from an **accident** or **loss** involving an **auto** or **motor vehicle** being operated by that excluded **person**.

THIS EXCLUSION INCLUDES ANY CLAIM FOR DAMAGES MADE AGAINST **YOU, YOUR SPOUSE, A RELATIVE, AN ADDITIONAL DRIVER** OR ANY OTHER **PERSON** OR ORGANIZATION THAT IS VICARIOUSLY LIABLE FOR AN **ACCIDENT** ARISING OUT OF THE OPERATION OF AN **AUTO** OR **MOTOR VEHICLE** BY THE EXCLUDED DRIVER DUE TO NEGLIGENT ENTRUSTMENT, AGENCY OR OTHERWISE.

However, if an **accident** occurs to which Part I – Liability Coverage would otherwise apply, **we** will provide a defense for the **named insured**, as needed, when that named excluded driver:

1. **Resides** in the same household as the **named insured**;
2. Is jointly sued with the **named insured** as a result of operating the **insured vehicle** of the **named insured**; and
3. Is an insured under a separate automobile liability insurance policy issued to that named excluded driver as a named insured, but which policy does not provide a defense to the **named insured** under this Policy.

A named driver exclusion will continue to apply to this policy and all renewals, reinstatements and/or replacement policies unless:

1. **We** get written notice from you ending that named driver exclusion; and
2. The extra premium for coverage of that driver is paid.

NAMED OPERATOR – NON-OWNED VEHICLE COVERAGE

If **you** elect Named Operator – Non-Owned Vehicle Coverage, **you** agree with **us** that the Policy is amended and this Policy only applies to **your** permissive use of an **auto** that is:

1. not **owned** by or registered to **you, your spouse, a relative, an additional driver** or any **person** who **resides** in **your** household.

Throughout the Policy, the definition of “**insured**” means **you** (except, as to Part III – UM/UIM, if and when required by law that any other **person** under the Part III definition of “insured” is required to be covered by law).

No coverage applies to the use of any vehicle rented to **you, your spouse, a relative, an additional driver** or any **person** who **resides** in **your** household.


No coverage of any type applies:

1. Under Part III of this Policy for **property damage**; or
2. Under Physical Damage Coverage.

EXECUTED ON BEHALF OF THE COMPANY BY:



PRESIDENT



SECRETARY