

OCEAN HARBOR CASUALTY INSURANCE COMPANY

This is your new automobile policy. PLEASE READ YOUR POLICY CAREFULLY – it contains the full terms of our agreements.

If there is any question concerning your policy, please contact your Broker.

AGREEMENT

We agree with you. In return for your premium payment, to insure you subject to the terms of this policy.

We will insure you for the coverages and Limits of Liability for which a premium is shown in the Declarations Page of this policy. This insurance applies only to car accidents and losses which happen while this policy is in force. This policy is issued by us in reliance upon the statements which you made in your application for insurance.

This policy may have restrictions, please read the entire policy carefully. To the extent that this policy may be translated for your convenience into a foreign language, this English language version shall control in all respects. To the extent that any conflict arises in the use of any term under California law, the English version shall prevail.

DEFINITIONS USED THROUGHOUT THIS POLICY

- (1) "We", "us" and "our" mean the Company providing this insurance.
 - (2) "You" and "your" mean the Person named in the Declarations Page and spouse, if living in the same household.
 - (3) "Bodily Injury" means bodily injury, sickness, disease or death.
 - (4) "Property damage" means damage to or destruction of tangible property, including loss if its use.
 - (5) "Vehicle" means a licensed and registered motor vehicle of the private passenger type designed for use upon a public road. "Vehicle" also means a vehicle with a load capacity of 1,500 pounds or less of the pick-up, van or utility type not used in any business other than farming or ranching. This definition shall not include:
 - a) motorcycles;
 - b) midget cars;
 - c) golf mobiles;
 - d) tractors;
 - e) farm machinery;
 - f) any vehicle operated on rails or crawler treads; or
 - g) any vehicle used as a residence or premise.
 - (6) "Utility trailer" means a vehicle designed to be towed by a vehicle not used for transporting property for profit or for the transportation of persons.
 - (7) "Your insured car" means:
 - a) a vehicle expressly identified by make, model and serial number on the Declarations Page;
 - b) any additional Vehicle on the date you become the owner if:
 - i. you acquire the vehicle during the policy period shown on the Declarations Page;
 - ii. we insure all vehicles owned by you; and
 - iii. no other insurance policy provides coverage for that vehicle .For a vehicle you acquire in addition to any vehicle expressly identified on the Declarations Page, we will provide the broadest coverage we provide for any covered vehicle shown on the Declarations Page. We will provide coverage for a period of fourteen (14) days after you become the owner. We will not provide coverage after this fourteen (14) day period, unless within this period you ask us to insure the vehicle. However for coverage to apply under Part IV- Damage To A Vehicle, you must have notified us of your intent to insure the additional vehicle prior to the loss for which coverage is applicable;
 - c) any replacement vehicle on the date you become the owner if:
 - i. you acquire the vehicle during the policy period shown on the Declarations Page;
 - ii. the vehicle that you acquire replaces one shown on the Declarations Page, provided that you have transferred title and possession of the replaced vehicle; and
 - iii. no other insurance policy provides coverage for that vehicle.If the vehicle that you acquire replaces one expressly identified on the Declarations Page, it will have the same coverage as the covered vehicle it replaces. All coverages for the vehicle being replaced end when you take delivery of the replacement vehicle. You must ask us to insure a replacement vehicle within fourteen (14) days after you become the owner if you want to add or continue coverage under Part IV- Damage To A Vehicle; and
 - d) any trailer owned by you while drawn by or attached to a vehicle described in a, b, or c above.
- (8) "Non-owned car" means a vehicle used by you with the express or implied permission of the owner not owned by furnished, or available for regular use by you.
- (9) "Private passenger car" means a vehicle of the private passenger type with not less than four wheels. The definition shall not include a van or pick-up truck.
- (10) "Auto business" means the business or occupation of selling, leasing, repairing, servicing, delivering, testing, road testing, transporting, repossessing, storing or parking vehicles.
- (11) "Business" includes trade, profession, occupation or job, but shall not include the use of your insured car when used to carry tools and supplies between the insured's home and job site.
- (12) "Relative" means a person living in your household and related to you by blood, marriage or adoption, including a ward or foster child. Relative includes a minor under your guardianship who lives in your household and your spouse if he/she lives in your household. Any relative who is age fifteen (15) or older must be listed on the application or endorsed on the policy prior to a loss. Relative does not include a roommate, housemate, or unmarried cohabitate.
- (13) "Regular Operator" means a person age fifteen (15) or older and a resident of your household or any person who drives your insured car while it is furnished or available for their regular use.
- (14) "Resident" means a person, other than a relative, living in your household.
- (15) "Occupying" means in, on, getting into or out of.
- (16) "State" means the District of Columbia and any state of the United States of America.
- (17) "Racing" means preparation for any racing, speed, demolition or stunting contest or activity. Racing also includes participation in the event itself, whether or not such event, activity or contest is organized.
- (18) "Crime" means any felony and shall include any act of eluding the police.
- (19) "Regular Use" means at a minimum of once per month or more often.

PART I – LIABILITY

COVERAGE A – LIABILITY COVERAGE INSURING AGREEMENT

We will pay damages, except for punitive or exemplary damages, up to the policy limits stated on the Declarations, for which an insured person is legally liable because of bodily injury or property damage resulting from the ownership, maintenance or use of your insured car or a non-owned car. The bodily injury or property damage must be caused by an accident and not be expected nor intended from the standpoint of the insured person.

We will defend any suit or settle any claim for damages as we think appropriate. We will not defend or settle after our limit of liability has been paid. We have no duty to defend any suit or settle any claim for bodily injury or property damage not covered under this policy.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part "insured person" or "insured persons" means with respect to **your insured car**:

- (1) **you**,
- (2) any other person using **your insured car** with **your** express or implied permission to do so and within the scope of **your** permission.
- (3) any other person or organization with respect only to legal liability for acts or omissions of:
 - a) a person covered under this Part while using **your insured car**; or
 - b) **You** while using a vehicle other than **your insured car**. The **vehicle** must not be owned or hired by that person or organization.

However, for an **insured person**, who is other than **you**, **we** will only provide limits up to the financial responsibility law of the **state** in which the accident occurs.

As used in this part "Insured person" means with respect to a **non-owned car**, only **you**. However, no coverage shall apply to a **non-owned car** under this Part for:

- (1) any **vehicle** or **utility trailer** which is used for any business purpose or during employment; or
- (2) any **vehicle** or **utility trailer** that is rented for a period in excess of 10 consecutive days.

ADDITIONAL PAYMENTS

We will pay, in addition to our limit of liability:

- (1) all costs **we** incur in the settlement of a claim or defense of a suit.
- (2) all costs assessed against **you** in our defense of a suit.
- (3) Interest on damages awarded in a suit **we** defend accruing after judgment is entered and before **we** have paid, offered to pay, or deposited in court that portion of the judgment which is not more than **our** limit of liability.
- (4) Any other reasonable expenses incurred at **our** request.

EXCLUSIONS

We do not cover:

- (1) **bodily injury** or **property damage** resulting from the ownership, maintenance or use of a vehicle when used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
- (2) **bodily injury** or **property damage** caused intentionally by or at the direction of an **insured person**.
- (3) **bodily injury** or **property damage** for which a person is an insured under a nuclear energy liability insurance policy. This exclusion applies even if the limits of that policy are exhausted.
- (4) **bodily injury** to an employee of an **insured person** arising in the course of employment by an **insured person**. Coverage does not apply to a domestic employee unless benefits are payable or are required to be provided for that employee under a workers' compensation law.
- (5) **bodily injury** or **property damage** resulting from the **auto business** operation. However, this exclusion does not apply to **you**, or a **relative** when the **bodily injury** or **property damage** arises out of **auto business** operations conducted by someone other than **you** or a **relative**.
- (6) **bodily injury** or **property damage** resulting from the ownership, maintenance or use of a vehicle of a pick-up, van or utility type by a person employed or otherwise engaged in a **business**.
- (7) **property damage** to property owned or being transported by an insured person.
- (8) damage to property, except a residence or private garage, which is rented to, used by or in the care of an **insured person**.
- (9) **bodily injury** or **property damage** resulting from the ownership, maintenance or use of a motorized vehicle with less than four wheels.
- (10) **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any vehicle, other than **your insured car**, which is owned by or furnished or available for regular use by **you**, a **relative** or **resident**.
- (11) **bodily injury** or **property damage** resulting from the use of any vehicle for racing.
- (12) **bodily injury** or **property damage** assumed by an **insured person** under any contract or agreement.
- (13) **bodily injury** or **property damage** resulting from radioactive, toxic, explosive or other hazardous properties or source of, nuclear or by-product material, each as defined in the Atomic Energy Act of 1954, as amended.
- (14) **bodily injury** or **property damage** incurred while the vehicle is used for towing a **utility trailer** designed for use other than a **private passenger car**, which is owned or rented by an **insured person** and not covered by like insurance.
- (15) **bodily injury** or **property damage** resulting from the use of a **vehicle** by a person or persons specifically excluded by endorsement.
- (16) **bodily injury** or **property damage** due to or resulting from war (declared or undeclared), civil war, insurrection, rebellion, riot, or revolution.
- (17) **bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading or unloading of any haul away, tank truck, or tank trailer or any vehicle used which are owned, hired or held for sale by the insured.
- (18) **bodily injury** or **property damage** arising out of actual, alleged, or threatened discharge, dispersal, release, or escape of any pollutant unless such discharge, dispersal, release, or escape is sudden and accidental and arises directly from collision or upset of **your insured car**.
- (19) **bodily injury** or **property damage** for any amount where the accident occurs and arising out of the use of a **vehicle** or any other motor vehicle while the **insured person** is in the commission of a crime.
- (20) **bodily injury** to **you**, a **relative** or **resident** or any person who is an **insured person** under the terms of this policy.
- (21) **bodily injury** or **property damage** resulting from the ownership, maintenance or use of a vehicle for delivery of any goods or services arising out of the insured's business.
- (22) **bodily injury** or **property damage** for any amount in excess of the minimum financial responsibility laws of the **state** where the accident occurs and arising out of the use of a **vehicle** or any other motor vehicle while the **insured person** is driving while intoxicated or charged with driving while impaired.
- (23) **bodily injury** or **property damage** for any driver that is using the listed vehicle in the course of employment, or for any business purpose.
- (24) **Punitive or exemplary damages**.
- (25) Benefits payable under the "No Fault Laws" of the following states: Arkansas, Delaware, Washington D.C., Florida, Hawaii, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, New York, North Dakota, Oregon, Texas, Utah, and Washington.
- (26) **bodily injury** or **property damage** resulting from the ownership, maintenance, or use of a vehicle or trailer by a person while in the course and scope of employment, or engaged in any business. This exclusion includes use of a vehicle for delivery of goods or services arising out of any business. This exclusion does not apply if business use of the insured **vehicle** has been declared and a premium charged prior to the **loss**.

PERMISSIVE USER LIMIT OF LIABILITY

If this **policy** provides coverage that exceeds the minimum limits required by the applicable financial responsibility law of the **state** of California, then such coverage in excess of the minimum shall not apply to the operation, maintenance or use of **your insured car** by any person other than **you** or a person named in the **Declarations**. At the time this policy was drafted, the financial responsibility laws in California state **Bodily Injury** Liability limits must meet the minimum of \$15,000 per person and \$30,000 for all persons per accident and **Property Damage** Liability limits must meet the minimum of \$5,000 per accident.

FEDERAL TORT CLAIMS ACT EXCLUSION

The following are not insured persons under **Part I – LIABILITY** of the policy:

- (1) the United States of America or any of its agencies.
- (2) any person for **bodily injury** or **property damage** arising from the operation of a vehicle by that person as an employee of the United States Government when the provisions of the Federal Tort Claims Act apply.

CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS

When **we** certify this policy as proof under a **state** financial responsibility law, it will comply with that law to the extent of the coverage and limits of liability required by that law.

You agree to reimburse **us** for any payment made by **us** which **we** would not have been obligated to make under the terms of this policy.

OUT OF STATE INSURANCE

If an **insured person** becomes subject to the financial responsibility law or the compulsory insurance law or similar laws of another **state** because of the ownership, maintenance or use of **your insured car** in that **state**, **we** will interpret this policy to provide any broader coverage if required by those laws. Any broader coverage so afforded shall be reduced to the extent that other automobile liability coverage applies. No person may, in any event, collect more than once for the same elements of **loss**.

LIMITS OF LIABILITY

The limits of liability shown in the Declarations apply subject to the following:

- (1) The **bodily injury** liability limits for "each person" is the maximum **we** will pay as damages for **bodily injury** to one person in one accident. It includes all damages including, but not limited to damages for care, medical expenses, loss of income and pain and suffering. Any claims for loss of services, loss of society, comfort, companionship, or for loss of consortium and any other damages in any way arising out of such **bodily injury** shall be included in this limit.
- (2) The **bodily injury** liability limit for "each accident" is the maximum **we** will pay as damages for all **bodily injury** to two or more persons in any one accident. It includes all damages for care, medical expenses, loss of services, loss of society, comfort, companionship, loss of consortium, and any other damages in any way arising out of, or deriving from such **bodily injury**.
- (3) The **property damage** liability limit for "each accident" is the maximum **we** will pay for all damages to property in one accident. Damage to gas or service station equipment is limited to \$500 per occurrence.
- (4) All **bodily injury** or **property damage** limits are subject to Exclusion Number 22, if applicable.

All **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one accident.

We will pay no more than the maximum limit of liability regardless of the number of:

- a) vehicles described in the Declarations;
- b) **insured persons**;
- c) claims made or lawsuits filed;
- d) claimants;
- e) policies issued by **us** or;
- f) vehicles involved in the accident.

Any amount payable under this coverage to or for an injured person will be reduced by any amount paid or payable to that person under **Part II – Expenses for Medical Services** or **Part III – Uninsured Motorists Coverage** of this policy.

OTHER INSURANCE

- (1) If there is other applicable auto liability insurance on a **loss** covered by this Part **we** will pay **our** proportionate share as **our** limits of liability bear to the total of all applicable liability limits. Any insurance afforded under this part for a vehicle **you** do not own, however, is excess over any other collectible auto liability insurance.
- (2) Any insurance **we** provide for an **vehicle you** own shall be excess to that of:
 - a) a person engaged in an **auto business**, if the **accident** occurs while the **vehicle** is being operated by that person or that person's employee or agent; or
 - b) an **owner**, tenant or lessee of premises on which **loss** arising out of the loading or unloading of the **vehicle** occurs.

PART II – EXPENSES FOR MEDICAL SERVICES

COVERAGE B – MEDICAL PAYMENTS COVERAGE INSURING AGREEMENT

We will pay all reasonable expenses incurred within 1 year from the date of accident for necessary medical, surgical, x-ray and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing and funeral services because of **bodily injury** sustained by an **insured person** and caused by a **car accident** while **occupying an insured vehicle**.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

When used in this Part II:

- (1) As used in the Part "**insured person**" or "**insured persons**" mean:
 - a) **You** while **occupying your insured car** or through being struck by a highway vehicle or trailer while **occupying your insured car**.
 - b) Any other person while **occupying your insured car** while the **vehicle** is being used by **you** or another person if that person has express or implied permission to use the **vehicle**.However, as used in this Part, **insured person** does not include any **relative** or **resident** not listed on the application nor endorsed during the policy term.
- (2) "**Medical expenses**" means reasonable and necessary medical, surgical, dental, x-ray, ambulance, hospital expenses and funeral services, and includes the cost of pharmaceuticals, orthopedics, and prosthetic devices.
- (3) "**Usual and customary charge**" means an amount which **we** determine represents a customary charge for services in the geographical area in which the service is rendered. **We** shall determine this customary charge through the use of independent sources of **our** choice. Please note that the "**Usual and customary charge**" for chiropractic treatment is capped at \$1,500.

EXCLUSIONS

This coverage does not apply for **bodily injury** to any person:

- (1) sustained while **occupying your insured car** when used to carry persons for a charge including rental of **your insured car** to others. This exclusion does not apply to shared expense car pools.
- (2) sustained while **occupying** any vehicle while located for use as a residence or premises.
- (3) sustained while **occupying** a motorized vehicle with more or less than four wheels.
- (4) sustained while **occupying** or through being struck by any vehicle, other than **your insured car**, which is owned by or furnished or available for **regular use** by **you**, a **relative** or **resident**.
- (5) sustained while **occupying** a vehicle other than a **private passenger car** while the vehicle is being used in the **business** or occupation of an **insured person**.
- (6) occurring during the course of employment if benefits are payable or must be provided under a workers' compensation law, disability benefits or similar law.
- (7) caused by war or any consequence of (declared or undeclared), civil war, insurrection, rebellion, riot, revolution, nuclear reaction, radiation or radioactive contamination, or by any consequence of these.
- (8) while in the commission of a crime or while driving while intoxicated or driving while impaired.

- (9) **bodily injury** resulting from the use of a **vehicle** by a person or persons specifically excluded by endorsement.
- (10) **bodily injury** resulting from the ownership, maintenance or use of any vehicle by a **relative** or **resident** who is not specifically listed on the application nor endorsed during the policy term.
- (11) resulting from the use of any vehicle for racing, speed, stunt, performance or demolition activity, regardless of whether such activity is prearranged or organized.
- (12) sustained while **your insured car** is being operated by a **regular operator** who was not reported to **us** on the original application for insurance or otherwise disclosed to **us** and listed on the declarations page before the **loss**.
- (13) Intentionally caused by an **insured person** or at the direction of an **insured person**.
- (14) **bodily injury** sustained while an **insured person** commits or attempts to commit or is fleeing a felony, or by the **insured persons** involvement in an illegal occupation.
- (15) for **medical expenses** incurred for treatment, services, products or procedures that are:
 - a) Experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - b) Not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of the bodily injury; or
 - c) Incurred for:
 - i. The use of thermography or other related procedures of similar nature; or
 - ii. The use of acupuncture or other related procedures of a similar nature; or
 - iii. The use of chiropractic care or other related procedures of a similar nature; or
 - iv. The purchase or rental of equipment not primarily designed to serve a medical purpose.

LIMITS OF LIABILITY

Regardless of the number of vehicles described in the Declarations, **insured persons**, claims or policies, or vehicles involved in the accident, **we** will pay no more than the limit of liability shown for this coverage in the Declarations for each person injured in any one accident.

Any amount paid or payable for **medical expenses** under the Liability or Uninsured motorists coverages of this policy shall be deducted from the amounts payable under this Part.

No payment will be made under this coverage unless the injured person or his legal representative agrees that a payment shall be applied toward any settlement or judgment that person received under any Auto Liability, Uninsured Motorists or Underinsured Motorists coverage provided by this policy.

OTHER INSURANCE

Any payment **we** make under this Part to an **insured person** shall be excess over any:

- (1) other available auto medical payments insurance;
- (2) medical, surgical, hospital or funeral services benefit or reimbursement plan;
- (3) individual, blanket or group accident, disability or hospitalization insurance; or
- (4) premises medical payments insurance.

RIGHT OF REIMBURSEMENT

If payment is made by **us** to or on behalf of an **insured person** under this Part II, the **insured person** shall reimburse **us** from the proceeds of any sums received from any other sources for such medical and funeral expenses. Any amount recovered by the **insured person** shall be held by the **insured person** in trust for **us** and reimbursed to **us** within 30 days of receipt of such proceeds to the extent of **our** payments made under the Part II. This includes reimbursement to **us** out of any:

- (1) sums paid by or on behalf of any persons or organizations who may be legally responsible; and
- (2) sums paid under the provisions of any:
 - a) motor vehicle or premises insurance affording benefits for **medical expenses**;
 - b) individual, blanket, or group accident, disability, health or hospitalization insurance;
 - c) medical, surgical, hospital or funeral service, benefits or reimbursement plan; and
 - d) workers' compensation or disability benefits law, or any similar law.

OTHER PAYMENT

If an **insured person** recovers any or all of their **medical expenses** from any source other than from **us** prior to an **insured person** bringing a claim under this Part, the **insured person** will have no right to recover that amount recovered for **medical expenses** under this Part II.

PART III – UNINSURED/UNDERINSURED MOTORISTS

NAMED VEHICLE. THIS PART APPLIES ONLY TO INSURED VEHICLES LISTED ON THE DECLARATION PAGE. IF YOU ARE DRIVING, STRUCK BY, OCCUPYING OR IN ANY WAY INVOLVED IN A LOSS BY A VEHICLE NOT LISTED IN THE DECLARATIONS THERE IS NO COVERAGE.

COVERAGE C – UNINSURED/UNDERINSURED MOTORISTS COVERAGE INSURING AGREEMENT

While driving a vehicle listed in the **Declarations Page**, **we** will pay damages except punitive or exemplary damages which an **insured person** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** or and **underinsured motor vehicle** because of:

- (1) **bodily injury**; and
- (2) **property damage** (is a specific premium is shown on the Declaration Page).

Caused by accident and resulting from the ownership; maintenance or use of the **uninsured motor vehicle**, or **underinsured motor vehicle**. But, underinsured motor vehicle coverage does not apply to property damage.

A deductible of \$100 applies to damage to property of each **insured person** in any one accident.

Determination whether an **insured person** is legally entitled to recover damages or the amount of damages shall be made by agreement between the **insured person** and **us**. If no agreement is reached, either party may demand arbitration.

If suit is brought to determine legal liability or damages without our written consent, **we** are not bound by the resulting judgment.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this PART,

- (1) "**insured person**" means:
 - a) **you** or a **relative**;
 - b) any other person **occupying your insured car**.

No person shall be considered an **insured person** if that person uses a vehicle without the express or implied permission of the vehicle owner.

- (2) **"Motor vehicle"** means a land motor vehicle or trailer but does not include a land motor vehicle or trailer:
 - a) operated on rails or crawlers treads;
 - b) which is a farm type tractor or equipment designed for use principally off public roads, while not on public roads;
 - c) located for use as a residence or premises;
 - d) owned or furnished or available for **your** regular use or that of a **relative** or **resident**;
 - e) owned or operated by a self-insurer under any motor vehicle law;
 - f) owned by any government unit or agency.
- (3) **"Property damage"** means injury to or destruction of **your insured car**, but does not include loss of use.
- (4) **"Underinsured Motor Vehicle"**, with respect to damages for **bodily injury** only, means a **motor vehicle** which is insured for **bodily injury** by a liability bond or policy at the time of the accident providing bodily injury limits of liability less than the uninsured motor vehicle **bodily injury** limits of liability less than the **uninsured motor vehicle bodily injury** liability limits of this coverage.
- (5) **"Uninsured Motor Vehicle"** means a motor vehicle for which there is:
 - a) no liability bond or policy applicable at the time of the accident;
 - b) a liability bond or policy applicable at the time of the accident which has limits of liability less than the minimum limits of liability specified in the California Financial Responsibility Law;
 - c) a liability bond or policy applicable at the time of the accident when the insuring company denies coverage or refuses to admit coverage except conditionally or with reservation or is or becomes insolvent;
- (6) For **bodily injury**, an **Uninsured Motor Vehicle** means a hit-and-run vehicle whose operator or owner is unknown and which makes physical contact with:
 - a) **you** or a **relative**
 - b) a vehicle which **you** or a **relative** are **occupying**; or
 - c) **your insured car**.
- (7) For **property damage** only, **Uninsured Motor Vehicles** means a **motor vehicle** where there is a direct physical contact between **your insured car** and the **uninsured motor vehicle**, and:
 - a) The owner or operator of the **uninsured motor vehicle** is identified; or
 - b) The **uninsured motor vehicle** is identified by its license number.

EXCLUSIONS

This coverage does not apply:

- (1) to a person if that person or their legal representative makes a settlement of a claim without **our** written consent.
- (2) to a person while **your insured car** is being used to carry person or property for a charge. This exclusion does not apply to shared-expense car pools.
- (3) to a person while **occupying** a motor vehicle with less than four wheels.
- (4) to a person while **occupying** or when struck by a motor vehicle owned by **you** or a **relative** or a **resident** which is not insured for this coverage under this policy.
- (5) to a person using a vehicle without the express or implied permission of the owner or not within the scope of that permission.
- (6) to a person claiming Uninsured Motorists Coverage who does not notify the police within 24 hours if a hit-and-run driver is involved and if within 30 days has failed to provide a statement under oath that such a person has a cause of action arising out of the accident for damages as against a person or persons whose identity is unascertainable.
- (7) to **bodily injury** or **property damage** resulting from the use of a **vehicle** by a person or persons specifically excluded by endorsement.
- (8) to **bodily injury** or **property damage** resulting from the use of any vehicle for racing.
- (9) to **property damage** to a **motor vehicle** owned by **you** or a **relative** or **resident** to which Collision Coverage applies under any policy.
- (10) to the benefit of any insurer or self-insurer under any workers' compensation or disability benefits law or any similar law or to any insurer of property or directly to the benefit of the United States or any **state** or political subdivision of the United States or any **state**.
- (11) while **your insured car** is being operated by a **regular operator** who was not reported to **us** on the original application for insurance or otherwise disclosed to **us** and listed on the declarations page before the **loss**.
- (12) **bodily injury** sustained by any person while using or **occupying** a **vehicle owned by you** or a **relative**, other than a **covered vehicle**.
- (13) **property damage** resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity or in practice preparation for any such contest or activity.
- (14) **property damage** sustained while a **covered vehicle** is being used or driven by any person while employed or engaged in the **business** or selling, leasing, repairing, parking, storing, servicing, delivering or testing vehicles. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative** when using a **covered vehicle**.
- (15) **property damage** to a trailer.
- (16) **property damage** if there is no actual, direct physical contact between the **uninsured motor vehicle** and the **covered vehicle**.
- (17) **property damage** if the **owner** or operator of the **insured motor vehicle**, of the license plate number of the **insured motor vehicle**, cannot be identified.
- (18) a claim for loss of use of **your covered vehicle**.
- (19) **loss** or damage to personal property contained within your **covered vehicle**, except a child passenger restraint system.
- (20) **property damage** to a **vehicle**, other than a **covered vehicle**.
- (21) **bodily injury** or **property damage** sustained while any **insured person** is occupying any motorized **vehicle** with less than four (4) wheels or more than four (4) wheels. Any **vehicle** with more than four (4) wheels must have a load capacity of one (1) ton or less and be listed on the **Declarations Page**.
- (22) **bodily injury** or **property damage** sustained while an **insured person** commits or attempts to commit or is fleeing a felony, or by the **insured persons** involvement in an illegal occupation.
- (23) **property damage** to **your covered vehicle**, when it is being operated by:
 - a) a person who is not licensed to operate a motor vehicle who is not listed on the **Declarations Page**;
 - b) a person who operates **your covered vehicle** on a regular basis; or
 - c) a person not listed on the **Declarations Page** who is a **resident** of **your** household.

LIMITS OF LIABILITY

The limits of liability shown in the Declarations apply subject to the following:

- (1) The **bodily injury** liability limit for "each person" is the maximum **we** will pay as damages for **bodily injury** to one person in one accident. It includes all damages for care, **medical expenses**, loss of services, loss of society, comfort, companionship, loss of consortium, and any other damages in any way arising out of, or deriving from such **bodily injury**.
- (2) The **bodily injury** liability limit for "each accident" is the maximum **we** will pay as damages for all **bodily injury** to two or more persons in any one accident subject to the **bodily injury** liability limit for "each person". It includes all damages for care, **medical expenses**, loss of services, loss of society, comfort, companionship, loss of consortium, and any other damages in any way arising out of, or deriving from such **bodily injury**.
- (3) **Our** maximum **property damage** liability limit for **uninsured motorist** coverage is the lesser of:
 - a) the actual cash value of **your insured car** subject to adjustment for depreciation of physical condition; or
 - b) the amount of necessary to repair or replace **your insured car**; or
 - c) \$3,500.

We will pay no more than these maximums regardless of the number of vehicles described in the Declarations, **insured persons**, claims, claimants, or policies, or vehicles involved in the accident.

No one will be entitled to receive duplicate payments for the same elements of **loss** under the **Uninsured Motorist** or **Underinsured Motorist** coverage.

Any amounts payable, will be reduced by:

- (1) a payment made by the owner or operator of the **uninsured motor vehicle** or **underinsured motor vehicle** or organization which may be legally liable;
- (2) a payment under PART I – LIABILITY of this policy.
- (3) a payment under PART II – EXPENSES FOR MEDICAL SERVICES
- (4) a payment made or amount payable because of the **bodily injury** under any workers' compensation law or disability benefit laws or similar law; and
- (5) a payment under any property insurance policy.

With respect to coverage for an **underinsured motor vehicle**, the limits of liability and the damages shall be reduced by all sums paid because of the **bodily injury** by on behalf of persons or organizations who may be legally responsible. This includes all sums paid under PART I – LIABILITY of the policy.

OTHER INSURANCE

If there is other similar insurance on a **loss** covered by this PART **we** will pay **our** proportionate share as **our** limit of liability bears to the total limits of all applicable similar insurance. If this policy and any other policy providing similar insurance apply to the same accident, the maximum limits of liability under all the policies shall be the highest applicable limits of liability under any one policy. But, any insurance afforded under this Part for a vehicle **you** do not own is excess over any other similar insurance.

ARBITRATION

If an **insured person** and **we** do not agree:

- (1) that person is legally entitled to recover damages from the owner or operator of an **uninsured motor vehicle**; or
- (2) as to the amount of payment under this PART.

Either party may demand in writing that the issue be determined by arbitration.

In the event the matter or matters upon which the parties do not agree shall be settled by a single neutral arbitrator whose decision may be entered in any court having jurisdiction. Each party will pay the expenses of the arbitrator equally.

With respect to **property damage**, arbitration proceedings must be formally instituted by the **insured person** within 1 year from the date of the accident.

The decision of the arbitrator will be binding as to:

- (1) whether the insured person is legally entitled to recover damages; and
- (2) the amount of damages. This applies only if the amount does not exceed the minimum limits of liability specified in the California Financial Responsibility law. If the amount exceeds those limits either party may demand the right to a trial. The demand must be made within 60 days from the arbitrator's decision. If a demand is not made the arbitrator's decision as to the amount of damages is binding.

The decision of the arbitrator may be entered in any court having jurisdiction.

TRUST AGREEMENT

If **we** pay you for a **loss** under this coverage:

- (1) **We** are entitled to recover from **you** an amount equal to such payment if there is a legal settlement made or a judgment paid on **your** behalf with or against any person or organization legally responsible for the **bodily injury**.
- (2) **You** must hold in trust for **us** all rights to recover money which you have against the person or organization legally responsible for **bodily injury**.
- (3) **You** must do everything reasonable to secure **our** rights and do nothing to prejudice these rights.
- (4) If **we** ask **you**, **you** must take necessary or appropriate action, through a representative designated by **us**, to recover payment as damages from the responsible person or organization.
- (5) **You** must execute and deliver to **us** any legal instrument or papers necessary to secure the rights and obligations of **you** and **us** established here.
- (6) An **insured person** under this coverage must do nothing before or after a loss to prejudice **our** rights of recovery from any uninsured wrongdoer.

PART IV – DAMAGE TO A VEHICLE

COVERED – VEHICLE DAMAGE COVERAGE INSURING AGREEMENT

INSURING AGREEMENT – COLLISION

If **you** pay a premium for collision coverage, **we** will pay for **loss** to a **covered vehicle** when it collides with another object or overturns, subject to the Limits of Liability. **You** must report a **loss** to **us** within 12 months of the date of **loss**.

INSURING AGREEMENT – COMPREHENSIVE

If **you** pay a premium for comprehensive coverage, **we** will pay for comprehensive **loss** to a **covered vehicle**, subject to the Limits of Liability. **You** must report a **loss** to **us** within 12 month of the date of **loss**.

Comprehensive coverage and collision coverage must be purchased together. They may not be purchased separately. The deductible for comprehensive coverage may not exceed the deductible for collision coverage.

A comprehensive **loss** is a **loss** to a **covered vehicle**, caused by any event other than collision, including, but not limited to, any of the following:

- (1) contact with an animal (including a bird);
- (2) explosion or earthquake;
- (3) fire;
- (4) malicious mischief or vandalism;
- (5) missiles or falling objects;
- (6) riot or civil commotion;
- (7) theft or larceny; or
- (8) windstorm, hail, water, or flood.

We will pay for **loss** to **your insured car**:

- (1) caused by **collision**, but only if a premium is shown for the coverage on the Declarations Page; or
- (2) not caused by **collision**, but only if a premium is shown for the coverage on the Declarations Page.

Less any applicable deductibles shown on the Declarations. Coverage does not apply under this Part for a **vehicle** or **utility trailer**, other than **your insured car**.

LOSS SETTLEMENT

We may pay the **loss** in money or repair or replace damaged or stolen property. If the vehicle is older than two (2) model years from the date of the **loss**, we will repair the vehicle using either the after market parts or recycled used parts whichever is deemed less by the company. We may, at anytime before the **loss** is paid or the property is replaced, return, at our expense, any stolen property either to you or to the address shown in the Declarations, with payment for any resulting damage. We may keep all or part of the property at the agreed or appraised value. You do not have the right to abandon salvage to us.

We may settle any claim for **loss** either with you, or with the **owner** of the property. Payment for **loss** is required only if you have fully complied with the terms of this policy. We may wait up to thirty (30) days from the date the theft is reported in writing to the policy and to us to either make a payment or replace the property.

If it is determined that the damaged property is to be repaired and you choose to utilize a repair facility which is not a **Preferred Provider Organization**, we will pay Eighty percent (80%) of the reasonable and customary repair charges from that repair facility.

Under no circumstances will a payment be made under this policy under evidence of satisfactory repairs is presented to us. At that time, we will have the right, at our option, to inspect the repairs prior to our making any payment for the **loss**.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in the Part:

- (1) **"Your Insured Car"** means:
 - a) the vehicle listed on the declaration page for this coverage;
 - b) a vehicle you own during the policy period provided it replaces the vehicle which was insured under the Damage To A Vehicle portion of this policy;
 - c) a **utility trailer** owned by you, while being attached to a vehicle described in 7(a), (b), and (c) above.
 - d) a **rental vehicle** while it is being used as a temporary substitute for a **vehicle** described on the Declarations Page because of its withdrawal from normal use due to breakdown, repair, servicing, loss or destruction.
- (2) **"Collision"** means the impact of **your insured car** with another object or upset of **your insured car**. **Loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is **loss** not caused by **collision**.
- (3) **"Loss"** means sudden, direct and accidental loss of or damage to:
 - a) **your insured car**;
 - b) its original optional equipment, as available and permanently installed by the manufacturer or its authorized dealer at the time of purchase, or
 - c) other equipment and accessories described in the Declarations of this policy. This includes such equipment as is usual and incidental to the use and operation of **your insured car**.
- (4) **"Covered Equipment"** means:
 - a) Any permanently installed equipment, parts, or accessories which were purchased as standard or optional equipment from the manufacturer of the vehicle. The maximum we will pay for loss to special equipment is \$500.
 - b) Any permanently installed device designed for the recording or reproduction of sound, provided the device is installed in the opening of the dash or console normally used by the manufacturer for the installation of a radio. The maximum we will pay for loss to the device and its accessories is \$500.
- (5) **"Rental Vehicle"** means a **vehicle** you rent or hire, only from an entity licensed to conduct such business under applicable state law, while such **vehicle** is in your custody or is being operated by you, relative or a resident.

Loss shall not include confiscation of the vehicle by any governmental authority.

ADDITIONAL PAYMENTS

If there is a theft of **your insured car**, we will pay up to \$15 per day, but no more than \$300, for the cost of transportation incurred by you. This coverage begins 48 hours after you notify the police of the theft. The coverage period ends when the **vehicle** is returned to use or when we pay for the **loss**. We will not pay for the cost of transportation incurred by an **insured person** if there is a theft only of a **utility trailer**.

In addition to the applicable limits of liability, we will reimburse you or pay for reasonable and necessary towing charges for transporting **your insured car** as a result of damage occurring from any loss covered by this Part or arising from the theft of **your insured car**. We will pay for reasonable and necessary storage charges incurred as a result of a **loss** covered by this Part. It is your duty to ensure you take reasonable steps to mitigate any losses related to storage and towing by notifying us immediately if your vehicle is incurring charges due to a loss.

TIMELINESS OF REPAIRS

In the event of **loss**, you must begin repairs on the **insured vehicle** within ninety (90) days from the date of **loss**. We will not be responsible for any loss or portion thereof which is caused by your delay in commencing such repairs.

EXCLUSIONS

This coverage does not apply to **loss**:

- (1) to **your insured car** while used to carry persons or property for a charge including rental of the insureds vehicle to others. This exclusion does not apply to share-expense car pools.
- (2) caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequences of any of these.
- (3) to sound reproducing equipment unless permanently installed in the dash or console opening of **your insured car** by the factory or dealer as specified original equipment by the manufacturer of the motor vehicle, or to tapes, compact discs, or similar items use with sound equipment. See **"Covered Equipment."**
- (4) to sound receiving or transmitting equipment designed for use as citizens band radios, two-way mobile radios, telephones, scanning monitor receivers, radar detectors, television sets, or their accessories or antennas. See **"Covered Equipment."**
- (5) to a camper body, pick-up shell, box cover or **utility trailer** not described in the Declarations.
- (6) to TV antennas, awnings, cabanas, or equipment designed to provide additional living facilities.
- (7) resulting from prior **loss** or damage, manufacturer's defects, wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires. But coverage does not apply if the damage is the result of other **loss** covered by this policy.
- (8) to **your insured car** due to destruction or confiscation by governmental authorities because of use in illegal activities, or failure to bring it into compliance with the Environmental Protection Agency or the Department of Transportation.
- (9) to equipment, parts and accessories which are not defined as **covered equipment** unless items are declared as permanently installed in or on **your vehicle**.
- (10) to custom paint, murals, decals or graphics; special carpeting or furnishing; sun roofs, moon roofs, t-bar roofs or height extending roofs; bubble domes or windows' refrigeration or cooking equipment and any equipment used for sleeping.
- (11) to modified or customized engines and carburetor system, winches, utility and/or tool boxes.
- (12) to any vehicle used for racing.
- (13) caused by the theft or conversion of **your insured car** by a person you have voluntarily entrusted **your insured car** to. This exclusion does not apply when **your insured car** is stolen from the person you loaned the vehicle to, if the theft is reported to the police within 24 hours of the **loss**.
- (14) to **your insured car** arising out of or during its use for the transportation of any:
 - a) explosive substance;
 - b) flammable liquid; or

- c) similar hazardous materials; except transportation incidental to **your** ordinary household or farm activities.
- (15) to clothes, tools or personal effects.
- (16) to **your insured car** caused by or resulting from **your** acquiring a **vehicle** from the seller without legal title available to **you**.
- (17) to any non-dealer or non-factory installed equipment which mechanically or structurally changes **your vehicle** and results in an increase in performance or a change in appearance.
- (18) to **your insured car** while being used in the commission of a crime or the operator was driving while intoxicated or their ability is impaired.
- (19) to **your insured car** caused intentionally by or at the direction **you**, a **relative** or a **resident**.
- (20) to **your insured car** while being operated by a person or persons specifically excluded by endorsement.
- (21) to **your insured car** while being operated or used by a **relative** or **resident** not listed on the application nor endorsed during the policy term.
- (22) to any vehicle not owned by **you** not caused by **collision**.
- (23) to any vehicle which is subject to any bailment, lease, conditional sale or consignment agreement, not specifically declared and described in this policy.
- (24) to damage to or discoloration(s) of paint as a result of smoke, smog, chemicals, tree sap, animal or bird droppings, unless such damage is a direct result of vandalism.
- (25) to **your insured car**, if at the time of the loss, **your insured car** was driven by a **regular operator** who was not reported to **us** on the original application for insurance or otherwise disclosed to **us** and listed on the declarations page before the car accident.
- (26) to any vehicle **you** paid for use, including but not limited to a **rental vehicle**.
- (27) to any vehicle **you** do not own unless it is listed on the declarations page.
- (28) to loss due to theft or larceny of **your insured car** or its equipment where there is no visible sign of forced entry into the **vehicle**.
- (29) to loss due to theft or larceny of **your insured car** while in the possession of an excluded driver.
- (30) **we** do not insure any **loss** due to conversion or embezzlement.

LIMIT OF LIABILITY

Our limit of liability for **loss** shall not exceed the lesser of:

- (1) the actual cash value of **your insured car** which was stolen or damaged; or
- (2) the amount necessary to repair or replace **your insured car** which was stolen or damaged. A deduction will be made for betterment if the repair or replacement is better than the original at the time of the **loss**
- (3) the amount **you** paid for the vehicle less **your** deductible.
- (4) The limit stated on the application.

However, in the event that the coverage applies to a **vehicle you** do not own; our liability is limited to the Actual Cash Value of the **vehicle** described on the Declarations Page.

Otherwise custom or customized equipment is not covered unless the value of the equipment has been reported to **us** prior to the **loss** and a premium has been paid for the additional coverage as shown on the Declarations Page. Our limit of liability for this equipment shall be the lesser of:

- (1) the declared value as shown on the Declarations Page; or
- (2) the actual cash value; or
- (3) the actual cost to repair or replace the equipment.

Sound Reproducing equipment and component parts shall be subject to a maximum limit of five Hundred (\$500) dollars in the aggregate when permanently installed by a factory or dealer as original equipment in the dash or console opening of **your insured car**. If an additional premium has been paid, this limit is increased to the amount shown on the Declarations Page.

In the event of a total **loss to your insured car**, **we** will not pay taxes and/or license fees until **you** provide us with proof of purchase of a replacement vehicle which must occur within fourteen (14) days from the actual settlement of the **loss** with **us**.

OTHER INSURANCE

If there is other applicable similar insurance on a **loss** covered by this Part, **we** will pay only that proportion of the **loss** that **our** limit of liability bears to the total limits of all applicable similar insurance. But, any insurance afforded under this Part for a vehicle **you** do not own is excess over any other applicable similar insurance.

APPRAISAL

You or **we** may demand appraisal of the **loss**. Each will appoint and pay a competent and licensed appraiser and will equally share other appraisal expenses. The appraisers will select an umpire to decide any differences. Each appraiser will state separately the actual cash value and the amount of **loss**. An award in writing by any two will determine the amount payable subject to the terms of this policy.

NO BENEFIT TO BAILEE

This insurance shall not in any way benefit any person or organization caring for or handling property for a fee including **your insured car**.

PART V – GENERAL PROVISIONS

POLICY PERIOD, TERRITORY

This policy applies only to accidents and losses during the policy period shown in the Declarations and occurring within the United States of America.

CHANGES

This policy and the Declarations include all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effected in this policy except by endorsement issued by **us**. The only other way this policy can be changed is by endorsement. Any necessary adjustment of premium will be made at that time. **We** will accept certain changes to **your** policy that **you** request. However, some changes **you** request require **your** signature. These will be effective only after the proper signature is obtained. Any change will be confirmed by **our** issuance of a declarations page. If a premium adjustment is necessary **we** will make it as of the effective date of the change. When **we** broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective.

SUIT AGAINST US

We may not be sued unless there is full compliance with all the terms of this policy. **We** may not be sued under Part I – Liability coverage until the obligation of an **insured person** to pay is finally determined either by judgment against the person after actual trial or by written agreement of the person, the claimant and us. No one shall have any right to make us a party to a suit to determine the liability of an **insured person**.

OUR RECOVERY RIGHTS

In the event of any payment under this policy, other than a payment made under Part III – Uninsured/Underinsured Motorist Coverage for damages which an **insured person** is entitled to recover from the **owner** or operator of an **underinsured motor vehicle**, **we** are entitled to all the rights of recovery that the **insured person** to whom payment was made has against another.

That **insured person** must sign and deliver to **us** any legal papers relating to that recovery, do whatever else is necessary to help **us** exercise those rights, and do nothing after an **accident** or **loss** to prejudice **our** rights.

However, **we** may not assert rights of recovery against any person who was using a **covered vehicle** with **your** express permission for any payment made under Part IV – Damage to a Vehicle

When an **insured person** has been paid by **us** under this policy and also recovers from another person, entity, or organization, the amount recovered will be held by the **insured person** in trust for **us** and reimbursed to **us** to the extent of **our** payment.

If an **insured person** under this policy makes recovery from a responsible party, other than the **owner** or operator of an **underinsured motor vehicle**, without **our** written consent, the **insured person's** right to payment under any affected coverage will no longer exist.

ASSIGNMENT

Interest in this policy may not be assigned without our written consent. If you die the policy will cover the remainder of the policy term:

- (1) any surviving spouse;
- (2) the legal representative of the deceased person while acting within the scope of duties of a legal representative while occupying **your insured car**.

BANKRUPTCY

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person**.

REJECTION, CANCELLATION OR NONRENEWAL OF THIS POLICY

We will not cancel or refuse to issue or renew wholly or partially because of one or more of the following characteristics of any person; age, sex, residence, race, color, creed, religion, national origin, ancestry, marital status or occupation.

You may cancel this policy by returning it to **us** or **our** authorized agent or by advising us in writing at a future date as to when the cancellation is to be effective. If this policy has been in effect less than 60 days and is not a continuation or renewal policy, **we** may cancel for any reason by mailing notice to **you** at the address shown in the Declarations or by delivering the notice at least 10 days before the effective date of cancellation.

If this policy has been in effect 60 days or more or is a continuation or renewal policy, **we** may cancel only:

- (1) for nonpayment of premium, in which event, **we** will give you at least 10 days notice;
- (2) for any change during the policy term that causes any increase in risk; or
- (3) for fraud or material misrepresentation.

We will mail to **you** at the address shown in the Declarations or deliver to **you** notice of nonrenewal not less than 20 days before the end of the policy period, if **we** decide not to renew or continue this policy.

If different requirements for cancellation and nonrenewal or termination of policies are applicable because of the laws of **your state**, **we** will comply with those requirements. Proof of mailing a notice is proof of notice. Mailing is equivalent to delivery.

Upon cancellation **you** may be entitled to a premium refund; if so, **we** will send it to **you** but **our** offer of a refund is not a condition of cancellation. If **you** cancel, the refund will be computed in accordance with the customary short rate table and procedure. If **we** cancel, the refund will be computed on a pro rata basis. The effective date of cancellation stated in a notice is the end of the policy period.

AUTOMATIC TERMINATION

This policy will automatically terminate at the end of the current policy period if **you** or **your** representative do not accept **our** offer to renew or continue it. **Your** failure to pay the required continuation or renewal premium when due means that **you** have declined our offer.

If the down payment check for a new business policy or renewal term is not honored by the bank, the policy will be rescinded and no coverage will be afforded.

We will mail or deliver any premium billing notice for renewal or continuation of this policy to the **named insured**, at the address shown on the Declarations.

If other insurance is obtained on **your insured car**, similar insurance afforded under this policy for that **vehicle** will cease on the effective date of the other insurance.

FRAUD AND MISREPRESENTATION

This policy was issued in reliance upon the information provided on **your** insurance application. By **your** acceptance of this policy, **you** agree that the facts and information contained in **your** application and in the **Declarations Page** of this policy are correct and accurate and that **you** have not failed to disclose any material facts relating to the risks insured under this policy. **We** may void this policy and/or deny coverage for an **accident** or **loss** if **you** or an **insured person** have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, at the time application was made or at any time during the policy period.

We may void this policy or deny coverage for an **accident** or **loss** if **you** or any **insured person** has concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation, investigation processing or settlement of a claim. **You** or the **insured person** must then reimburse **us** for all claim payments, administrative costs or processing costs incurred by **us**. This will include any legal or processing fees incurred during the collection of this reimbursement.

We may void this policy for fraud or misrepresentation even after the occurrence of an **accident** or **loss**. This means that **we** will not be liable for any claims or damages which would otherwise be covered.

CONFORMITY WITH STATE STATUTES

The coverage provided for in **PART I – LIABILITY** and **PART III – UNINSURED MOTORIST** of this policy are intended to be in full conformity with the laws of **your state** applying to such coverages. If any provision of such coverages conflicts with such **law**, such provision is changed to comply with such **law**.

PREMIUM INCREASES

The premiums **you** pay may increase upon renewal in accordance with applicable law. The reasons for premium increases may include, but are not necessarily limited to, the following:

- (1) an insured's involvement in an accident, and whether such insured is at fault in the accident;
- (2) a change in, or addition of, policy coverage selection;
- (3) a change in any of the rating factors that are used to determine your rate;
- (4) a change in, or addition of, an insured vehicle;
- (5) a change in, or addition of, an insured under the **policy**;

- (6) a change in the location or garaging of an insured vehicle;
- (7) a change in the use of the insured vehicle;
- (8) convictions for violating any provision of any **state's** vehicle code or penal or criminal code relating to the operation of motor vehicles; or
- (9) any insurer's payment of any claim filed by an insured or against an insured by a third party.

We may increase your premiums for reasons not specified above provided that such non-specified reasons are neither unlawful nor unfairly discriminatory.

PART VI – WHAT WE WILL DO IN CASE OF AN AUTO ACCIDENT OR LOSS

As condition of this policy, **we** may order a credit report and inquire about prior loss history without notice to **you** or anyone else making a claim under the policy.

PART VII – WHAT TO DO IN CASE OF AN AUTO ACCIDENT OR LOSS

NOTICE OF ACCIDENT OR LOSS

In the event of an accident or **loss**, notice must be given to **us** promptly. The notice must give the time, place and circumstances of the accident or **loss**, including the names and addresses of injured persons and witnesses, including **your** own name and address. FAILURE TO PROMPTLY REPORT A LOSS OR ACCIDENT TO **US** MAY JEOPARDIZE **YOUR** COVERAGE UNDER THIS POLICY.

OTHER DUTIES

A person claiming any coverage of this policy must also:

- (1) cooperate with **us** and assist **us** in any matter concerning a claim or suit, including presence at hearings or trials as **we** or the court requires.
- (2) send **us** promptly any legal papers received relating to any claim or suit.
- (3) Submit to physical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require.
- (4) Authorize **us** to obtain medical and other records including but not limited to credit and financial records.
- (5) Submit a proof of loss under oath if required by **us**.
- (6) Submit to an examination under oath as often as may be reasonably required.
- (7) Upon our request, allow **us** to obtain a written or recorded statement concerning the circumstances of the claim and any damages claimed.
- (8) take reasonable steps after a **loss** to protect the **covered vehicle** or **non-owned vehicle** from further **loss**. **We** will pay reasonable expenses incurred in providing that protection. If **you** fail to do so, any further damages will not be covered under this policy.
- (9) allow **us** to inspect and appraise the damage to a **covered vehicle** or **non-owned vehicle** before its repair or disposal.
- (10) allow **us** to extract samples and fluids from **your covered vehicle**, including, but not limited to, engine oil and transmission oil.
- (11) allow **us** to access and extract all data contained in **your covered vehicle's** even data recorder.

UNINSURED MOTORISTS

A person claiming Uninsured Motorist Coverage must also notify **us** within 24 hours of the accident if a hit-and-run driver is involved and submit to a statement under oath within 30 days after the accident.

DAMAGE TO A VEHICLE

A person claiming under **Part IV – Damage To A Vehicle** Coverage must also:

- (1) take reasonable steps after **loss** to protect the **vehicle** and its equipment from further loss. **We** will pay reasonable expenses incurred in providing that protection.
- (2) report a theft of the **vehicle** or its equipment to the police within 24 hours of discovering the theft.
- (3) Allow us to inspect and appraise the damaged **vehicle** before its repair or disposal.

ALARM SYSTEM

If **your application** states that there is an alarm system installed on or in **the insured vehicle**, **you** agree that the alarm system will be kept in good working condition at all times and that will not be removed from **the insured vehicle**. If this agreement is breached, insurance hereunder as regards to theft of **your** vehicle shall be void and **you** may become personally liable to **us** for damages.

In Witness Whereof, we have caused this policy to be executed and attested, and if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



William E. Roche-President



Donna M. Erickson-Secretary

If you are unable to resolve any problems concerning your policy with your broker or the Company, you may contact the Consumer Affairs Unit of the California Department of Insurance at:

300 South Spring Street
 Los Angeles, CA 90013
 1-800-927-HELP

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF ENDORSEMENT NUMBER AS NO 07 08 APPEARS ON THE POLICY DECLARATION.

NAMED DRIVER NON-OWNER COVERAGE

AGREEMENT

If **you** purchase a **Named Driver Non-Owner** policy, it is agreed that the policy is amended as follows:

AMENDMENT 1.

The **Liability Coverage Insuring Agreement** used in **Part 1 – Liability** is deleted in its entirety and replaced by the following:

We will pay damages except for punitive or exemplary damages, for which an **insured person** is legally liable because of **bodily injury** or **property damage** resulting from the use of **your insured car**. The **bodily injury** or **property damage** must not be expected nor intended from the standpoint of the **insured person**.

We will defend any suit or settle any claim for damages as **we** think appropriate. **We** will not defend or settle after **our** limit of liability has been paid. **We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

AMENDMENT 2.

Definitions (2) and (7) in the Definitions Used Throughout This Policy are deleted in their entirety and replaced by the following:

- (2) **“You”** and **“Your”** mean only the individual person named as the insured in the Declaration.
- (7) **“Your insured car”** means any **non-owned car** or **utility trailer** provided that **you** have the express or implied permission of that owner to use the **car**. No coverage shall apply for **you** while operating a **car** owned by or furnished or available for the regular use of **you**, a **resident** or **relative** of the household in which **you** reside.

AMENDMENT 3.

As used throughout this policy **“insured person”** means:

- (1) **You.**

No person shall be considered an **insured person** if that person uses a **car** without having the express or implied permission of the owner.

AMENDMENT 4.

The OTHER INSURANCE PROVISION in Part 1 – LIABILITY is deleted in its entirety and replaced by the following:

OTHER INSURANCE

The insurance provided by this part is excess over any other collectible auto liability insurance.

AMENDMENT 5.

No coverage applies under Part IV – CAR DAMAGE.

AMENDMENT 6.

Exclusion (10) in Part 1 – LIABILITY is deleted in its entirety.

AMENDMENT 7.

Terms and conditions of this endorsement and California statutes also apply to Uninsured Motorist Coverage – Part III.

(AS NO 07 08)

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF FORM AS RR 07 08 APPEARS ON YOUR DECLARATIONS.

RENTAL REIMBURSEMENT ENDORSEMENT

We agree to pay **you** for any necessary transportation expense but not more than \$15 per day or more than \$300 for the loss of use of **your insured car** because of damage to the vehicle caused by accident.

- 1) This endorsement does not apply to the theft of **your insured car** for which transportation expense coverage is provided under the policy;
- 2) The total payment under this insurance shall not be more than the actual cash value of **your insured car** at the time of loss;
- 3) **Your insured car** means the vehicle described in the Declarations and for which specific premium is charged for this coverage.

The endorsement is subject to such exclusions, conditions, and other terms of the policy which are applicable to the Coverage for Damage to Your Auto.

(AS RR 07 08)

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF FORM NUMBER AS TW 07 08 APPEARS ON YOUR DECLARATIONS.

TOWING AND LABOR ENDORSEMENT

The company agrees with **you** subject to all of the provisions of this endorsement and to all the provisions of the policy except as modified herein, as follows:

In consideration of an additional premium paid by **you**, **we** will pay up to the limit shown in the Declarations for each occurrence for emergency towing and incidental labor costs incurred because of disablement of **your insured car**. Labor must be performed at the time and place of disablement. Bills must be presented to **us** for payment. **Your insured car** means the vehicle described in the Declarations and for which specific premium is charged for this coverage.

(AS TW 07 08)

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF FORM NUMBER AS SE 07 08 APPEARS ON YOUR DECLARATIONS.

SPECIAL & ADDITIONAL EQUIPMENT ENDORSEMENT

If **you** have paid any required premium, **we** agree with **you** to extend coverage under Car Damage Coverage, to the custom parts and equipment listed on the application. Coverage under this change extends only to parts and equipment which are permanently attached and forming part of **your insured car**.

Our limit of liability will be the least of:

- (1) the actual cash value of the stolen or damage property at the time of the **loss**, or
- (2) the amounts shown on the application as the total Declared Value of Equipment, or
- (3) the amount necessary to repair the property with other of like kind and quality, with deduction for depreciation.

Reduced by \$50 deductible.

(AS SE 07 08)