

GAINSCO Auto Insurance®

Underwritten by:

MGA INSURANCE COMPANY, INC.

3333 LEE PARKWAY, SUITE 1200

DALLAS, TX 75219

1-800-699-1575

**TEXAS
PERSONAL AUTO POLICY**

WARNING:

This policy was issued in reliance upon the information provided on your insurance application. We may void this policy at any time, including after the occurrence of an accident or loss, if you made incorrect statements or representations to us with regard to any material fact or circumstance; concealed or misrepresented any material fact or circumstance; or engaged in fraudulent conduct.

IMPORTANT- LIMITED COVERAGE POLICY:

Please read your policy carefully. It contains language which may restrict or exclude coverage. For example, the policy specifically addresses who may use the insured auto and under what conditions coverage will be afforded. There may be options to broaden your coverage.

TABLE OF CONTENTS

POLICY AGREEMENT	4
DEFINITIONS USED THROUGHOUT THIS POLICY	4
PART A - LIABILITY COVERAGE	6
INSURING AGREEMENT	6
ADDITIONAL DEFINITIONS USED IN PART A ONLY	6
ADDITIONAL BENEFITS - PART A ONLY	6
EXCLUSIONS - PART A ONLY	7
LIMITS OF LIABILITY - PART A ONLY	8
CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS	9
OTHER INSURANCE - PART A ONLY	9
PART B1 - MEDICAL PAYMENTS COVERAGE	9
INSURING AGREEMENT	9
ADDITIONAL DEFINITIONS USED IN PART B1 ONLY	9
EXCLUSIONS - PART B1 ONLY	10
LIMITS OF LIABILITY - PART B1 ONLY LIMITS OF LIABILITY	11
OTHER INSURANCE - PART B1 ONLY	11
ASSIGNMENT OF BENEFITS	11
PART B2 - PERSONAL INJURY PROTECTION COVERAGE	11
INSURING AGREEMENT	11
ADDITIONAL DEFINITIONS USED IN PART B2 ONLY	12
EXCLUSIONS – PART B2 ONLY	12
LIMITS OF LIABILITY – PART B2 ONLY	12
OTHER INSURANCE – PART B2 ONLY	13
OTHER PROVISIONS	13
ASSIGNMENT OF BENEFITS	13
PART C – UNINSURED/UNDERINSURED MOTORIST COVERAGE	13
INSURING AGREEMENT	13
ADDITIONAL DEFINITIONS USED IN PART C ONLY	13
EXCLUSIONS - PART C ONLY	14
LIMITS OF LIABILITY - PART C ONLY	15
OTHER INSURANCE - PART C ONLY	15
PART D - COVERAGE FOR DAMAGE TO THE INSURED AUTO	16
INSURING AGREEMENT	16
ADDITIONAL DEFINITIONS USED IN PART D ONLY	16
LIMITS OF LIABILITY - PART D ONLY	18
APPRAISAL - PART D ONLY	19
PAYMENT OF LOSS - PART D ONLY	19
OTHER INSURANCE - PART D ONLY	20
NO BENEFIT TO BAILEE	20
TIMELINESS OF REPAIRS	20
TWO OR MORE AUTOMOBILES	20
PART E – DUTIES	20

INSURED PERSONS DUTIES IN CASE OF ACCIDENT OR LOSS	20
OUR DUTIES IN THE EVENT OF A CLAIM	21
PART F- ADDITIONAL COVERAGES	21
TOWING AND LABOR COVERAGE	22
RENTAL REIMBURSEMENT COVERAGE	22
LIMITED MEXICO COVERAGE	22
PART G - GENERAL PROVISIONS	22
POLICY PERIOD & TERRITORY	22
LIBERALIZATION CLAUSE	23
PREMIUM PAYMENT	23
CANCELLATION AND NONRENEWAL	24
LIMITATIONS ON AGENT AUTHORITY	24
SUITS AGAINST US	24
FRAUD OR MISREPRESENTATION	25
TWO OR MORE AUTO POLICIES	25
TRANSFER OF YOUR INTEREST IN THIS POLICY	25
BANKRUPTCY	25
OUR RECOVERY RIGHTS	25
LOSS PAYABLE CLAUSE	25
TERMS OF POLICY CONFORMED TO STATUTE	26
COMPANY STATEMENT	26

POLICY AGREEMENT

In return for **your** payment of **premium**, **we** agree to insure **you** subject to all terms, conditions, and limitations of this policy. **We** will insure **you** for the coverages and the limits of liability shown on the policy's **Declarations page**. **Your** policy consists of the policy contract, **your** insurance **application**, the **Declarations page**, and all endorsements to this policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

Unless defined differently elsewhere in this policy, the following definitions apply throughout the policy. Defined terms are printed in boldface type and have the same meaning whether in the singular, plural, or any other form.

1. **Additional auto** means an **auto** that **you** become the **owner** of which does not permanently replace an **auto** listed on the **Declarations page** if:
 - a. **You** acquire the **additional auto** during the policy period;
 - b. **You** notify **us** within 20 days of becoming the **owner** of the **additional auto**; and
 - c. **You** pay any additional premium due.

An **additional auto** will have the broadest coverage **we** provide for any **auto** listed on the **Declarations page**. If **you** ask **us** to insure the **additional auto** more than 20 days after **you** become the **owner**, any coverage **we** provide will begin at the time **you** request coverage.

2. **Accident** means a sudden, unexpected, and unintended event causing **bodily injury** or **property damage**.

The term "unintended" refers solely to the actions of an **insured person**.

3. **Application** means the form entitled Texas Automobile Application that contains statements, coverage options, and agreements that form a part of this policy.
4. **Auto** means a land vehicle:
 - a. Of the private passenger, pickup body, van, or utility type,
 - b. Intended for use on public roads; and with a Gross Vehicle Weight of less than 25,000 pounds that is not used for the delivery or transportation of

goods, materials, or supplies, other than samples, unless:

- i. the delivery of the goods, materials, or supplies is not the primary use for which the **auto** is employed; or
 - ii. the **auto** is used for farming or ranching.
5. **Auto business** means the business of selling, leasing, repairing, servicing, delivering, testing, road testing, towing, storing, or parking vehicles or **trailers**.
 6. **Bodily injury** means bodily harm to the body, including sickness, disease, or death resulting therefrom.
 7. **Business** means trade, profession, occupation, course of employment, job, or commercial use of any kind and shall not include the use of the **insured auto** to carry tools and supplies between **your** home and job site.
 8. **Business day** means a day other than a Saturday, Sunday or holiday recognized by the State of Texas.
 9. **Declarations page** means the document **you** receive from **us** listing:
 - a. The types of coverage **you** have selected,
 - b. The limit for each coverage,
 - c. The cost of each coverage,
 - d. The deductibles, if applicable,
 - e. The specified **autos** covered by this policy,
 - f. The types of coverage for each **auto**, and
 - g. Other information applicable to this policy.
 10. **Fungi** means any type or form of **fungus**, including yeast, mold or mildew, blight or mushroom and any mycotoxins, spore, scents or other substances, products or byproducts produced, released by or arising out of **fungi**, including growth, proliferation or spread of **fungi** or the current or past presence of **fungi**. However, this definition does not include any **fungi** intended for human consumption.
 11. **Household** means **your** primary residence. The members of **your household** will include **you**, **your relatives** living in the **household** at the time of loss,

and any **resident** living in **your household** at the time of loss, as their primary residence.

12. **Insured auto** means:
 - a. An **auto** or **trailer owned** by **you** as described and listed on the **Declarations page** for the coverages applicable to the **auto** or **trailer**.
 - b. An **additional auto**,
 - c. A **replacement auto**, or
 - d. A **temporary substitute auto**.
13. **Non-owned auto** means any **auto** not **owned** by **you**, a **resident** of **your household**, a **relative**, or a person listed on the Declarations Page as a driver. This does not include a **temporary substitute auto** or a **temporary vehicle**.
14. **Occupying** means in, upon, entering into, or exiting from.
15. **Own, Owned, or Ownership** means to:
 - a. Hold legal title to the **insured auto**.
 - b. Have legal possession of the **insured auto** subject to a written conditional sales agreement; or
 - c. Have legal possession of the **insured auto** under a lease agreement of at least 6 continuous months.
16. **Owner** means any person who:
 - a. Holds legal title to the **insured auto**.
 - b. Has legal possession of the **insured auto** subject to a written conditional sales agreement; or
 - c. Has legal possession of the **insured auto** under a lease agreement of at least 6 continuous months.
17. **Property damage** means physical damage to tangible property, including destruction or loss of its use, which is caused solely by an **accident** covered under this policy and occurring while the policy is in force.
18. **Punitive or Exemplary Damages** means damages which are awarded to punish or deter wrongful conduct, to set an example, to fine, penalize or impose a statutory penalty, and damages which are awarded for any purpose other than as compensatory damages for **bodily injury** or **property damage**.
19. **Racing** means participating in any organized race, speed, demolition, stunt, or timed contest or activity. **Racing** also includes preparation for the contest or activity.
20. **Relative** means any person related to **you** by blood, marriage, or adoption, including a ward, foster child, or a minor under **your** guardianship, who lives in **your household**, whether or not temporarily living elsewhere.
21. **Repair facility** means a person or entity who rebuilds, repairs, or services a motor vehicle for consideration or under a warranty, service, or maintenance contract.
22. **Replacement auto** means, an **auto** that permanently replaces an **auto** listed on the **Declarations page**. A **replacement auto** will have the same coverage as the **auto** it replaces. **You** must notify **us** of a **replacement auto** within 20 days only if **you** wish to:
 - a. Add coverage for damage to the **auto**; or
 - b. Continue existing coverage for damage to the **auto** after 20 days.
23. **Resident** means any person living in **your household**, as their primary residence, at the time of loss, other than **you** or a **relative**.
24. **State** means the District of Columbia, and any **state**, territory, or possession of the United States.
25. **Temporary substitute auto** means any **auto** not **owned** by, or available, for **your** regular use, while being used when the **insured auto** is out of use due to repair, breakdown, servicing, loss, or destruction resulting from a covered loss under this policy. To the extent allowed by law, any coverage **we** provide for a **temporary substitute auto**, will be excess over any other collectible insurance.
26. **Temporary vehicle** includes a motor vehicle that is loaned or provided to **you**, a **relative**, or a licensed operator residing in **your household** by an automobile **repair facility** for use while **your**, the **relative's**, or licensed resident operator's motor vehicle is at a **repair facility** for service, repair, maintenance, or damage or to obtain an estimate and is: in the lawful possession of **you**, the **relative**, or licensed resident operator; not **owned** by **you**, the **relative**, the licensed resident operator or any other person residing in **your household**; and operated by, or in the possession of, **you**, the **relative**, or the licensed resident operator until the motor vehicle is returned to the **repair facility**.

This does not include any vehicle loaned or provided to a person specifically named in a named driver exclusion.

A **temporary vehicle** includes only a motor vehicle that is: a private passenger automobile; or a pickup, utility vehicle, or van with a gross vehicle weight of 14,000 pounds or less that is not used for the delivery or transportation of goods, materials, or supplies, other than samples, unless: the delivery of the goods, materials, or supplies is not the primary use for which the vehicle is employed; or the vehicle is used for farming or ranching.

27. **Trailer** means a vehicle which is not self-propelled and is designed to be pulled by a private passenger **auto**. It also means a farm wagon or farm implement while towed by such vehicles.
28. **We, us** and **our** mean the Company shown on **your Declarations Page** providing this insurance.
29. **You** and **your** mean the named insured shown on the **Declarations page** and includes **your** spouse, if living in the same **household**.
- You** shall also mean **your** spouse during a period of separation in contemplation of divorce.

PART A - LIABILITY COVERAGE

INSURING AGREEMENT

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay damages for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an **accident**. Damages include prejudgment interest awarded against an **insured person**. **We** will settle or defend, at **our** option, any claim for damages covered under Part A- Liability Coverage.

Our duty to settle or defend ends when **our** limit of liability for this coverage has been exhausted. **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 PART A ONLY

1. As used in this Part, **insured person** means:

- a. **You** or a **relative**, for an **accident** arising out of the **ownership**, maintenance, or use of an **auto**.
 - b. A **resident of your household** for an **accident** arising out of their use of the **insured auto**.
 - c. Any other person listed on the **Declarations page** for an **accident** arising out of the person's use of the **insured auto**.
 - d. Any person while using the **insured auto** with **your** express or implied permission, for an **accident** arising out of that person's use of the **insured auto**.
2. **Insured auto** includes a **temporary vehicle**.

ADDITIONAL BENEFITS - PART A ONLY

When **we** defend an **insured person** under this Part, **we** will provide the following benefits in addition to the Limits of Liability under this Part A:

1. As **we** deem appropriate, **we** will defend the **insured person**, hire and pay a lawyer, and pay all defense costs. **We** have no duty to defend any claim or action not covered under this policy.
2. As **we** deem appropriate, **we** will pay costs **we** incur to investigate and settle any claim or action.
3. **We** will pay the interest that accrues after judgment is entered against an **insured person** and before **we** have offered to pay, or deposited into court, sums that are not more than **our** limit of liability, on damages awarded in a suit **we** defend.
4. **We** will pay the premium on any appeal bond or attachment bond required in any lawsuit **we** defend. **We** have no duty to purchase a bond in an amount exceeding **our** limit of liability, and **we** have no duty to apply for or furnish these bonds.
5. **We** will reimburse any other reasonable costs an **insured person** incurs, including loss of earnings up to \$200 per day, incurred at **our** request.

To receive reimbursement for additional benefit under this section, **you** must submit a claim and provide proof of entitlement thereto.

EXCLUSIONS - PART A ONLY

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

We do not cover:

1. **Bodily injury** or **property damage** that results from nuclear reactions, radiation, or fallout.
2. **Bodily injury** or **property damage** covered by a nuclear energy liability policy, even if the limits of that policy are exhausted.
3. **Bodily injury** or **property damage** caused intentionally by, or at the direction of, an **insured person**.
4. **Bodily injury** or **property damage** arising out of an **insured person's** use of an **auto**, other than the **insured auto**, without permission of the **owner** of the vehicle or the person in lawful possession of the **auto**.
5. Liability for any **bodily injury** or **property damage** assumed by or imposed on an **insured person** under any agreement, contract or bailment. This exclusion does not apply to a **temporary vehicle**.
6. **Bodily injury** to an **insured person's** employee which arises in the course of employment.
Unless coverage is required under workers' compensation, disability benefits, or similar laws, **we** will provide coverage for an **insured person's** domestic employee injured in an **accident** in the course of employment.
7. **Bodily injury** to an **insured person's** co-worker occurring in the course of employment if such injury arises out of the **insured person's** use of a vehicle in any **business**.
8. **Bodily injury** occurring during the course of employment if benefits are payable or available under a workers' compensation law or similar law. This exclusion does not apply to a third party who is not employed by the named insured.
9. **Bodily injury** or **property damage** that results from the **ownership**, maintenance, or use of a vehicle while used to transport persons or property for a fee or compensation. This exclusion does not apply to shared-expense car pools. This exclusion does not apply to a **temporary vehicle**.
10. **Bodily injury** to an **insured person** while driving the **insured auto** except to the extent of the **minimum limits** of liability coverage required by the Texas Motor Vehicle Safety Responsibility Act.
11. **Bodily injury** to an **insured person** arising out of the **ownership**, maintenance, or use of the **insured auto**; except to the extent of the **minimum limits** of liability coverage required by the Texas Motor Vehicle Safety Responsibility Act.
12. **Property damage** to property **owned** by or being transported by an **insured person**.
13. **Bodily injury** or **property damage** arising out of the operation of equipment or machinery not listed on the **Declarations page**.
14. Damage to property an **insured person** rents, uses, has care of, or has charge of, except a residence or private garage, including loss of its use. This exclusion does not apply to a **temporary vehicle**.
15. **Bodily injury** or **property damage** resulting from the **ownership**, maintenance, or use of any vehicle other than the **insured auto**, which is **owned** by, furnished or available for the regular use of **you**, a **relative**, or a **resident**.
16. **Bodily injury** or **property damage** arising out of an **insured person's ownership**, maintenance, or use of any vehicle with less than four wheels.
17. **Bodily injury** or **property damage** arising out of an **insured person's ownership**, maintenance, or use of any vehicle designed mainly for use off of public roads.
18. **Bodily injury** or **property damage** resulting from the **ownership**, maintenance, or use of a vehicle in any **racing event**.
19. **Bodily injury** or **property damage** incurred while the **insured auto** is being leased or rented to others. This exclusion does not apply if **you** or a **relative** lends the **insured auto** to another person for reimbursement of operating expenses only.
20. **Bodily injury** or **property damage** resulting from the use of a motor vehicle for snow removal.
21. **Bodily injury** or **property damage** caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, or riot.
22. **Bodily injury** or **property damage** sustained by an **insured person** while **occupying** any

vehicle being used as a residence or premises.

23. **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:

- a. If **business** use of the **insured auto** has been declared and an additional premium has been paid;
 - b. To the use of an **insured auto** by an **insured person** strictly as a means of incidental personal transportation in connection with their employment; or
 - c. To a **temporary vehicle**.
24. **Bodily injury or property damage** resulting from an **auto business**. However, this exclusion does not apply to **you** when the **bodily injury or property damage** arises out of **auto business** operations conducted by someone other than an **insured person**.
25. **Property damage** due to or as a consequence of a seizure of any vehicle by federal or **state** law enforcement officers as evidence in a case against **you** under Chapter 481 of the Health and Safety Code, or under the Federal Controlled Substances Act, if **you** are convicted in such a case.
26. **Bodily injury or property damage** resulting from the use of the **insured auto** by a person or persons specifically excluded by endorsement.
27. **Bodily injury or property damage** arising out of the **ownership**, maintenance, use, loading or unloading of any haul away, tank truck, or tank trailer.
28. **Bodily injury or property damage** that results from the **ownership**, the maintenance or use of a vehicle with a Gross Vehicle Weight in excess of 25,000 pounds.
29. Damage to, or loss of use of, a **non-owned auto** resulting from an **insured person's** use of that **non-owned auto**.
30. **Bodily injury or property damage** resulting from the use of the **insured auto** by any person other than an **insured person**.
31. **Bodily injury or property damage** caused by, or reasonably expected to result from, a

criminal act or criminal omission of that **insured person**.

For purposes of this exclusion, criminal acts or criminal omissions includes any attempt to elude law enforcement personnel and does not include traffic violations or driving under the influence violations.

32. **Punitive or exemplary damages** awarded against any insured.
33. **Bodily injury or property damage** resulting from **fungi**. However, this exclusion does not include **fungi** directly resulting from a covered loss.
34. **Bodily injury or property damage** for which the United States Government is liable under the Federal Tort Claims Act.

LIMITS OF LIABILITY - PART A ONLY

The limit of liability shown on the **Declarations page** for liability coverage is the most **we** will pay regardless of the number of:

1. Claims made;
2. **Insured autos**;
3. **Insured persons**;
4. Lawsuits brought;
5. Vehicles involved in the **accident**; or
6. Premiums paid.

We will pay these limits of liability as follows:

1. The amount shown for "each person" is the most **we** will pay for all damages due to **bodily injury** to one person resulting from any one **accident**;
2. Subject to the "each person" limit, the amount shown for "each accident" is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one **accident**; and
3. The amount shown for "property damage" is the most **we** will pay for the total of all **property damage** resulting from any one **accident**.

The "each person" limit of liability applies to the total of all claims made for **bodily injury** to a person and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

No one is entitled to duplicate payments for the same **accident**.

Any payment to a person under this Part-A Limits of Liability will be reduced by any payment to that person under Part B1 - Medical Payments Coverage, Part B2 - Personal Injury Protection Coverage, or Part C - Uninsured/Underinsured Motorist Coverage.

If multiple auto policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

An **auto** and attached **trailer** are considered one **auto**. Therefore, the limits of liability will not be increased for an **accident** involving an **auto** that has an attached **trailer**.

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.

If **we** make a payment that **we** would not be required to make except for the provisions of this part of the policy, **you** must reimburse **us** for any such payment.

This policy is not intended as proof under any **state** financial responsibility laws, other than this **state**. The terms, conditions and exclusions as written will apply in any **state** where the loss may occur.

OUT OF STATE INSURANCE

If an **insured person** is operating an **insured auto** in a **state** which requires minimum Financial Responsibility limits for nonresidents, **we** will increase the policy limits to the required minimum limits of that **state**.

We will not pay benefits other than required liability for **bodily injury** or **property damage** under the "No Fault Laws" of any other **state**.

No person shall be entitled to duplicate payments for the same element of loss.

OTHER INSURANCE - PART A ONLY

If a primary duty to defend exists under this policy and other applicable liability insurance or bond exists, **we** will pay **our** proportionate share of damages as **our** limit of liability bears to the total of all applicable liability limits. However, any liability insurance **we** provide to a **non-owned**

auto shall be excess over other collectible liability insurance.

However, **we** will provide primary coverage for a **temporary vehicle**, **but only and solely to the extent required to do so by Texas Insurance Code Section 1952.060**, that is loaned or provided to **you**, a **relative**, or a licensed operator residing in **your household** by an automobile **repair facility** for use while **your**, the **relative's**, or licensed resident operator's motor vehicle is at a **repair facility** for service, repair, maintenance, or damage or to obtain an estimate and is: in the lawful possession of **you**, the **relative**, or licensed resident operator; not owned by **you**, the **relative**, the licensed resident operator or any other person residing in **your household**; and operated by, or in the possession of, **you**, the **relative**, or the licensed resident operator until the motor vehicle is returned to the **repair facility**.

PART B1 - MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay **medical expenses**, not exceeding the limits shown on the **Declarations page**, incurred as a result of **bodily injury** caused by an accident and sustained by an **insured person**.

ADDITIONAL DEFINITIONS USED IN PART B1 ONLY

As used in this Part:

1. **Medical expenses** means **usual and customary charges** incurred for reasonable and necessary services rendered to or on behalf of an **insured person** within three years from the date of the accident for: medical, surgical, x-ray, and dental services when performed by a licensed medical professional; pharmaceuticals; prosthetic devices; eye glasses; necessary ambulance, hospital, and professional nursing services when prescribed by a licensed medical professional; and funeral services.

Reasonable **medical expenses** do not include expenses:

- a. For treatment, services, products or procedures that are:

- i. Experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - ii. Not commonly and customarily recognized throughout the medical profession and within the United States and Canada as appropriate for the treatment of the **bodily injury**; or
- b. Incurred for:
- i. The use of thermography or other related procedures of similar nature;
 - ii. The use of acupuncture or other related procedures of a similar nature; or
 - iii. The purchase or rental of equipment not primarily designed to serve a medical purpose.

2. **Insured person** means:
- a. **You**, or a **household** member while **occupying an insured auto** or as a pedestrian when struck by an **auto** or **trailer**;
 - b. Any person while using the **insured auto** with **your** express or implied permission, for an accident arising out of that person's use of the **insured auto**.
 - c. Any occupants of the **insured auto** while the vehicle is being operated by a person authorized under this definition.
3. **Usual and customary charge** means an amount that **we** determine that represents a customary charge for services in the geographical area in which service is rendered. **We** may determine the customary charge through the use of independent sources of **our** choice. Consideration may be given to:
- a. Evidence of usual and customary charges and payments accepted by the provider;
 - b. Reimbursement levels in the community and various federal and state medical fee schedules applicable to automobile and other insurance coverages; and

- c. Other information relevant to the reasonableness of the reimbursement for the service, treatment, or supply.

EXCLUSIONS - PART B1 ONLY

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

We do not cover **bodily injury**:

1. That results from a nuclear reaction, radiation, or fallout.
2. Covered by a nuclear energy liability policy, even if the limits of that policy are exhausted.
3. That results from the maintenance or the use of any vehicle without the express or implied permission of the **owner**.
4. To an **insured person's** employee which arises in the course of employment.
Unless coverage is required under workers' compensation, disability benefits, or similar laws, **we** will provide coverage for an **insured person's** domestic employee injured in an accident in the course of employment.
5. To an **insured person's** co-worker occurring in the course of employment if such injury arises out of the **insured person's** use of a vehicle or **trailer** in the **business** of the **insured person's** employer.
6. That results from the **ownership**, maintenance, or use of a vehicle while used to transport persons or property for a fee or for compensation. This exclusion does not apply to shared-expense car pools.
7. Resulting from the **ownership**, maintenance, or use of any vehicle other than the **insured auto**, which is **owned** by, furnished or available for the regular use of **you**, a **relative**, a **resident**, or a nonresident spouse.
8. Arising out the use of the **insured auto** by any person other than an **insured person**.
9. Arising out of the **ownership**, maintenance or use of any vehicle other than one with fewer than four wheels.
10. Resulting from the **ownership**, maintenance or use of a vehicle in any **racing** event.
11. Resulting from any **auto business**.

12. Resulting from the **ownership**, maintenance or use of a vehicle by a person employed or engaged in any **business** other than an **auto business**.

This exclusion does not apply:

- a. If **business** use of the **insured auto** has been declared and an additional premium has been paid; or
 - b. To the use of an **insured auto** by an **insured person** strictly as a means of incidental personal transportation in connection with their employment.
13. Incurred while the **insured auto** is being leased or rented to others. This does not apply if **you** or a **relative** lends the **insured auto** to another person for reimbursement of operating expenses only.
 14. Resulting from the use of a vehicle for snow removal.
 15. Sustained while **occupying** any vehicle located for use as a residence or premises.
 16. Sustained as a result of the use of a vehicle by any person specifically excluded by endorsement.
 17. Sustained from any source other than an **accident**.
 18. Caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, or riot.
 19. Sustained by any person while **occupying** the **insured auto** without **your** express or implied permission.
 20. Occurring during the course of employment if benefits are payable or available under a worker's compensation law or similar law.
 21. While in the commission of a crime or driving while intoxicated or driving while impaired. This includes any attempt to elude law enforcement personnel. This exclusion does not include minor traffic violations.
 22. Caused intentionally by, or at the direction of, an **insured person**.
 23. **Bodily injury** resulting from **fungi**.

LIMITS OF LIABILITY - PART B1 ONLY LIMITS OF LIABILITY

The limit of liability shown on the **Declarations page** for Medical Payments Coverage is the most **we** will pay for each **insured person** injured in any one accident, regardless of the number of:

1. Claims made;

2. **Insured autos**;
3. **Insured persons**;
4. Lawsuits brought;
5. Vehicles involved in the accident; or
6. Premiums paid.

No one will be entitled to duplicate payments under this policy for the same accident.

Any amount payable to an **insured person** under this Part B1 will be reduced by any amount paid or payable for the same expense under Part-A Limits of Liability or Part C - Uninsured/Underinsured Motorist Coverage.

If multiple auto policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

We will make no payment under this Part of the policy unless the **insured person** or the **insured person's** legal representative agrees in writing that any payment shall be applied toward any settlement or judgment that person receives under the Liability or Uninsured/Underinsured Motorist Coverages of this policy.

OTHER INSURANCE - PART B1 ONLY

Any payment **we** make under this Part to an **insured person** shall be excess over any other available auto medical payments insurance.

In no event will an **insured person** be entitled to receive duplicate payments for the same element of loss.

ASSIGNMENT OF BENEFITS

Payments for medical expenses will be paid directly to a physician or other health care provider if **we** receive a written assignment signed by the **insured person** to whom such benefits are payable.

PART B2 - PERSONAL INJURY PROTECTION COVERAGE

INSURING AGREEMENT

If **you** do not reject Personal Injury Protection coverage, **we** will pay Personal Injury Protection benefits, not exceeding the limits shown on the **Declarations page**, incurred as a result of **bodily injury** caused by an accident and sustained by an **insured person**.

We will pay only for those expenses incurred for services rendered within three years from the date of the accident.

Personal Injury Protection benefits consist of:

1. Reasonable **medical expenses** incurred for necessary medical and funeral services.
2. Eighty percent of an **insured person's loss of income** from employment. These benefits apply only if, at the time of the accident, the **insured person**:
 - a. Was an income producer; and
 - b. Was in an occupational status.

These benefits do not apply to any loss after the **insured person** dies.

ADDITIONAL DEFINITIONS USED IN PART B2 ONLY

As used in this part:

1. **Insured person** means:
 - a. **You**, a **relative**, or a **resident** who sustains **bodily injury** while **occupying** a motor vehicle or while a pedestrian through being struck by a motor vehicle designed for use mainly on public roads or a **trailer** of any type; or
 - b. Any other person while **occupying** the **insured auto** with **your** permission.
2. **Loss of income** means the difference between:
 - a. Income which would have been earned had the **insured person** not been injured; and
 - b. The amount of income actually received from employment during the disability.

If the income being earned as of the date of accident is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the period (more than 12 months) preceding the accident shall be used.
 - c. Reasonable expense incurred for obtaining services. These services must replace those an **insured person** would normally have performed:

- i. Without pay;
- ii. During a period of disability; and
- iii. For the care and maintenance of the family or **household**.

These benefits apply only if, at the time of the accident, the **insured person**:

- i. Was not an income producer; and
- ii. Was not in an occupational status.

These benefits do not apply to any loss after the **insured person** dies.

3. **Medical expenses** means usual and customary charges incurred for reasonable expenses arising from an accident and incurred within three years for necessary medical, surgical, x-ray, and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing services when prescribed by a licensed medical professional; and funeral services.

EXCLUSIONS – PART B2 ONLY

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

We do not provide Personal Injury Protection for any person for **bodily injury** sustained:

1. By any person in an accident caused intentionally by, or at the direction of, that person.
2. By that person while in the commission of a felony.
3. By that person while attempting to elude arrest by a law enforcement official.
4. While **occupying**, or when struck by, any motor vehicle (other than the **insured auto**) which is **owned** by **you**.
5. By a **relative** or **resident** while **occupying**, or when struck by, any motor vehicle (other than the **insured auto**) which is **owned** by the **relative** or **resident**.

LIMITS OF LIABILITY – PART B2 ONLY

The limit of liability shown on the **Declarations page** for this coverage is **our** maximum limit of liability for each person injured in any one

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

1. **Insured persons;**
2. Claims made;
3. Vehicles or premiums shown on the **Declarations page;** or
4. Vehicles involved in the accident.

OTHER INSURANCE – PART B2 ONLY

If there is other applicable Personal Injury Protection insurance, **we** will pay only **our** share. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance that **we** provide with respect to **non-owned auto** shall be excess over any other collectible Personal Injury Protection insurance.

OTHER PROVISIONS

Loss payment benefits are payable:

1. Not more frequently than once every two weeks; and
2. Within 30 days after satisfactory proof of claim is received.

The Part F – General Provisions section of this policy entitled “Our Recovery Rights” does not apply to this coverage.

ASSIGNMENT OF BENEFITS

Payments for **medical expenses** will be paid directly to a physician or other health care provider if **we** receive a written assignment signed by the **insured person** to whom such benefits are payable.

PART C – UNINSURED/UNDERINSURED MOTORIST COVERAGE

INSURING AGREEMENT

If **you** do not reject Uninsured/Underinsured Motorist Coverage, **we** will pay damages, not exceeding the limits shown on the **Declarations page**, which an **insured person** is legally entitled to recover from the **owner** or operator of an **uninsured or underinsured motor vehicle** because of **bodily injury or property damage** caused by an accident and sustained by the **insured person**. The **bodily injury or property damage** must be caused by an accident and must arise out of the **ownership**, maintenance or

use of the **uninsured or underinsured motor vehicle**.

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

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

For a loss caused by an **underinsured motor vehicle**, **we** will pay Uninsured/Underinsured Motorist Coverage only after the limits of liability under all applicable liability bonds or policies have been exhausted by payment of judgment or settlements.

ADDITIONAL DEFINITIONS USED IN PART C ONLY

As used in this Part:

1. **Insured person** means:
 - a. **You** or a **relative**, for an accident arising out of the **ownership**, maintenance, or use of the **insured auto**.
 - b. **You** or a **relative** when injured: i. as a pedestrian; or ii. while **occupying** a vehicle you do not own as a driver or as a passenger.
 - c. A **resident of your household** for an accident arising out of their use of the **insured auto**.
 - d. Any person while using the **insured auto** with **your** express or implied permission, for an accident arising out of that person’s use of the **insured auto**.
 - e. Any other person listed on the **Declarations page** for an accident arising out of the person’s use of the **insured auto**.
2. **Property damage** as used in this Part means damage to or loss of use of:
 - a. The **insured auto**;
 - b. Any property **owned** by an **insured person** while contained in the **insured auto**;
 - c. Any property **owned** by **you**, a **relative**, or a **resident** while contained in any **auto** not **owned**, but being operated by, **you** or any **relative** or **resident**.
3. **Uninsured motor vehicle** means a land motor vehicle or **trailer** of any type which is:

- a. Not insured by a liability bond or policy at the time of the accident.
- b. A hit-and-run vehicle whose operator or **owner** cannot be identified and which causes an accident by hitting:
 - i. **You, a relative** or any **resident**;
 - ii. An **auto** which **you, a relative** or any **resident** are **occupying**; or
 - iii. The **insured auto**.
- c. Insured by a liability bond or policy at the time of the accident, but the insurer denies coverage, currently is or becomes insolvent.

Uninsured motor vehicle does not include any vehicle or equipment:

- a. **Owned** by, or furnished or available for the regular use of **you, a resident**, or a **relative**;
- b. Operated on rails or crawler treads;
- c. Designed mainly for use off public roads while not on public roads;
- d. While located for use as a residence or premises; or
- e. **Owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer that has become insolvent; or
- f. **Owned** by a governmental unit or agency unless:
 - i. The operator of the vehicle is uninsured; and
 - ii. There is no statute imposing liability for damages because of **bodily injury** or **property damage** on the governmental body for an amount not less than the limit of liability for this coverage.

4. **Underinsured motor vehicle** means a land motor vehicle or **trailer** of any type to which a liability bond or policy applies at the time of the accident, but its limit of liability either:
- a. Is not enough to pay the full amount the **insured person** is legally entitled to recover as damages; or
 - b. Has been reduced by payment of claims to an amount which is not enough to pay the full amount the

insured person is legally entitled to recover.

Underinsured motor vehicle does not include any vehicle or equipment:

- a. Operated on rails or crawler treads;
- b. Designed mainly for use off public roads while not on public roads;
- c. While located for use as a residence or premises;
- d. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company denies coverage or is or becomes insolvent;
- e. **Owned** by or furnished or available for the regular use of **you, a resident** or a **relative**;
- f. **Owned** or operated by a self-insurer under any applicable motor vehicle law; or
- g. **Owned** by a governmental unit or agency unless:
 - i. The operator of the vehicle is underinsured; and
 - ii. There is no statute imposing liability for damages because of **bodily injury** or **property damage** on the governmental body for an amount not less than the limit of liability for this coverage.

EXCLUSIONS - PART C ONLY

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

We do not provide Uninsured/Underinsured Motorist Coverage for any person:

1. If that person or his legal representative settles the claim without **our** consent.
2. While **occupying** the **insured auto** when it is being used to carry persons or property for a charge or consideration, including magazines, newspapers, food or any other product. The exclusion described in this paragraph does not apply to shared-expense car pools.
3. While using a vehicle without the **owner's** express or implied permission.

4. So as to apply directly or indirectly to the benefit of any insurer or any self-insurer under any worker's compensation law, disability law, or any similar law.
5. So as to apply directly or indirectly to the benefit of any insurer of property.
6. For **property damage** sustained by any person while **occupying** or when struck by any vehicle **owned by you**, any **relative** or any **resident** which is not insured for this coverage under this policy.
7. For the first \$250 of the amount of **property damage** to the property of each **insured person** as the result of any one accident.
8. For **bodily injury** or **property damage** resulting from the intentional acts of that person.
9. For **bodily injury** or **property damage** resulting from any person other than an **insured person occupying the insured auto**.
10. For **punitive or exemplary damages**.

LIMITS OF LIABILITY - PART C ONLY

The limit of liability shown on the **Declarations page** for Uninsured/Underinsured Motorist Coverage is the most **we** will pay regardless of the number of:

1. Claims made;
2. **Insured autos**;
3. **Insured persons**;
4. Lawsuits brought;
5. Vehicles involved in the accident; or
6. Premiums paid.

We will pay these limits of liability as follows:

1. The amount shown for "each person" is the most **we** will pay for all damages due to **bodily injury** to one person;
2. Subject to the "each person" limit, the amount shown for "each accident" is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one accident; and
3. The amount shown for "each accident" for **property damage** is **our** maximum limit of liability for all **property damage** resulting from any one accident.

The "each person" limit of liability includes the total of all claims made for **bodily injury** to an **insured person** and all claims of others derived from such **bodily injury**, including, but

not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

The damages recoverable under this Part C will be reduced by all sums:

1. Paid because of **bodily injury** by or on behalf of any persons or organizations that may be legally responsible;
2. Paid or payable under Part A –Limits of Liability; and
3. Paid or payable because of **bodily injury** under any of the following or similar laws:
 - a. Workers' compensation law; or
 - b. Disability benefits law.

We will not pay under this Part C any expenses paid or payable under Part B1 - Medical Payments Coverage or Part B2 Personal Injury Protection Coverage.

The damages recoverable for **property damage** under this Part C will be reduced by all sums paid because of **property damage** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part A – Limits of Liability.

No one will be entitled to duplicate payments for the same accident.

If multiple auto policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

OTHER INSURANCE - PART C ONLY

If there is other applicable uninsured or underinsured motorists insurance that covers a loss under an insurance policy not issued by **us**, **we** will only pay **our** proportionate share of that loss. **Our** share is the proportion that **our** limits of liability bear to the total of all applicable limits. However, any Uninsured/Underinsured Motorist Coverage that **we** provide shall be excess over any other collectible uninsured or underinsured motorists insurance while **you**, a **relative**, or a **resident** are **occupying** any vehicle that is not the **insured auto** and will apply only in the amount **our** limit of liability exceeds the sum of the applicable limits of liability of all other applicable insurance. **We** will pay only after all other applicable limits have been paid.

Moreover, nothing in this Other Insurance - Part C Only provision is meant to modify or to amend any of the terms in the Limits of Liability - Part C Only section of the policy, including those provisions reducing, limiting and eliminating coverage in specified circumstances.

For any **property damage** to which Part D – Coverage for Damage to the Insured Auto of this policy (or similar coverage from another policy) and this coverage both apply, **you** may choose the coverage from which damages will be paid.

You may recover under both coverages, but only if:

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

PART D - COVERAGE FOR DAMAGE TO THE INSURED AUTO

INSURING AGREEMENT

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay for direct and accidental **comprehensive loss** to the **insured auto**, including its factory-installed equipment, less any applicable **deductible** for each separate **loss**.

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay for direct and accidental **loss** to the **insured auto** caused by **collision**, including its factory-installed equipment, less any applicable **deductible** for each separate **loss**.

The **insured auto** must be operated by an **insured person** at the time of the **loss** or in the care, custody, or control of an **insured person** at the time of **loss** if the **insured auto** was not in operation. This provision does not apply in the case of theft where a thief uses and/or abandons the **insured auto**.

ADDITIONAL DEFINITIONS USED IN PART D ONLY

As used in this part:

1. **Aftermarket parts** mean replacement **auto** parts not made by the original manufacturer of the motor vehicle or by a manufacturer

authorized by the original manufacturer to use its name or trademark.

2. **Collision** means **loss** caused by the **insured auto's** upset or overturn, or a sudden impact with another object.
3. **Comprehensive** means **loss** to the **insured auto** caused by an event other than **collision**.

Comprehensive loss includes, but is not limited to **loss** caused by:

- a. Missiles or falling objects;
- b. Fire, theft or larceny;
- c. Explosion;
- d. Earthquake or volcanic activity;
- e. Windstorm, hail, water, or flood;
- f. Malicious mischief or vandalism;
- g. Riot or civil commotion;
- h. Contact with a bird or animal; or
- i. Breakage of glass.

If breakage of glass results from **collision**, **you** may elect to have it treated as **loss** caused by **collision**.

4. **Custom or additional equipment** means any equipment which was not installed at the factory or added as original equipment when the vehicle was purchased new.
5. **Deductible** is that sum which is shown on the **Declarations page** and will be deducted from the **loss** payment.
6. **Diminution of value** means the difference in the **actual cash value** of the **insured auto** immediately before a **loss** and after the repair of the **insured auto**.
7. **Insured person** means:
 - a. **You**, a **relative**, or a **resident**, or
 - b. Any other person listed on the **application** or added by endorsement, during the policy term and prior to a **loss**.
 - c. Any person while using the **insured auto** with **your** express or implied permission, for an **accident** arising out of that person's use of the **insured auto**.
8. **Loss** means sudden, direct, and accidental damage to, vandalism to, or theft of, the **insured auto**, including its original optional equipment, which is permanently installed at the factory by the vehicle manufacturer or authorized dealer. **Custom or additional**

equipment is covered only if it is declared before the **loss** and an additional premium is paid. Equipment installed or alterations made by conversion facilities to an **auto** or camper are not considered standard or original optional equipment.

EXCLUSIONS - PART D ONLY
READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

We do not cover loss:

1. That results from nuclear reactions, radiation, or fallout.
2. Covered by a nuclear energy liability policy, even if the limits of that policy are exhausted.
3. That results from the **ownership**, maintenance or use of the **insured auto** while used to transport persons or property for a fee or compensation. This exclusion does not apply to shared-expense car pools.
4. To the **insured auto** while it is rented or it is leased to others. This does not apply if **you** or a **relative** lends the **insured auto** to another person for reimbursement of operating expenses only.
5. To clothes, tools, or other personal effects.
6. To property the **insured person** rents, uses, or has charge of, including loss of its use.
7. To any vehicle with less than four wheels.
8. Resulting from the use of any vehicle in any **racing** event or off-road recreational activity.
9. To any vehicle or **trailer** resulting from **your** employment by or **ownership** of any **auto business**.
10. Resulting from the **ownership**, maintenance or use of a vehicle or a **trailer** while a person is engaged in any **business** activity other than **auto business** activities. This exclusion includes use of a vehicle for delivery or pickup of goods or services arising out of any **business**.
This exclusion does not apply:
 - a. If **business** use of the **insured auto** has been declared and an additional premium has been paid; or
 - b. To the use of an **insured auto** by an **insured person** strictly as a means of incidental personal transportation in connection with their employment
11. Resulting from the use of the **insured auto** for snow removal.
12. Caused by a war (declared or undeclared), civil war, insurrection, rebellion, or revolution.
13. Caused to a camper body, pickup shell, box cover, or **trailer owned** by **you** or any other person.
14. Resulting from prior **loss** or damage; manufacturers' defects; wear and tear; freezing; mechanical or electrical breakdown or failure; or road damage to tires.
However, coverage does apply if the **loss** is the result of other **loss** covered by this policy. This exclusion does not apply to:
 - i. Unrepaired prior damage that would require the same labor, parts, and materials caused by the **loss**; or
 - ii. Actual cash value total loss settlements.
15. To any modified suspension equipment, modified engines, modified carburetor systems, or modified equipment, including but not limited to:
 - a. Aluminum, magnesium, chrome, or alloy wheels;
 - b. Special wide-tread tires or slicks.This exclusion does not apply to special equipment as outlined under the Custom or Additional Equipment coverage.
16. To winches, utility boxes, or tool boxes.
17. To tapes, compact discs, records, cassettes, or similar recording or recorded media used with sound equipment, including any cases or other containers used in storing or carrying such items.
18. To custom paint or murals, decals or graphics; special carpeting or furnishings; custom sunroofs, moon roofs, t-bar roofs or height extending roofs; bubble domes or similar windows; refrigeration or cooking equipment and any equipment used for sleeping.
19. To any electronic equipment, antennas, and other devices used exclusively or primarily to send or receive audio, visual, or data signals, or to play back recorded media, if such equipment or device is not permanently installed in the dash or console opening of the **insured auto** by the vehicle manufacturer or dealer and specified as original equipment by the vehicle manufacturer.

20. To sound receiving or transmitting equipment designed for use as citizen band radios, two-way mobile radios, televisions, VCRs, telephones not originally installed by the original make and model vehicle manufacturer or dealer, home high fidelity equipment, scanning monitor receivers, radar or laser detectors, or any other detection equipment for speed-measuring devices, or any accessories or antennas to any of these types of equipment.
21. To TV antennas, awnings, cabanas, or equipment designed to provide additional living facilities.
22. That results in damage to, or loss of use of, a non-owned vehicle or **trailer**.
23. To damage caused by, due to, or in any way resulting from the alteration, modification, or customizing of the **insured auto** which alters or affects the drivability, road worthiness, handling, or safety of the **insured auto**.
24. To the **insured auto** while in the care, custody, or control of an **insured person** other than **you** or a **relative** for the purpose of selling the **insured auto**.
25. Caused intentionally by, or at the direction of, an **insured person**.
26. To the **insured auto** that is caused by or resulting from **your** acquiring an **auto** from the seller without legal titles available to **you**.
27. To the **insured auto** while being operated by any person specifically excluded by endorsement.
28. Caused to the **insured auto** when it is driven, operated or used by, or in the control of any person who is not an **insured person** under this Part. This exclusion does not apply in a situation where the **insured auto** has been stolen.
29. Arising out of or due to the use of the vehicle for transportation of any explosive substance, flammable liquid or similarly hazardous materials except for fluids or materials necessary for the use of an auto or normal **household** maintenance.
30. **Loss** due to or as a consequence of the seizure of **your covered auto** by federal or **state** law enforcement officers as evidence in a case against **you** under the Texas Controlled Substances Act or the Federal Controlled Substances Act if **you** are convicted in such case.
31. To paint or discoloration of paint that results from acid rain, smoke, smog, chemicals, salt, tree sap, or animal or bird droppings unless such **loss** is a direct result of **collision** or vandalism.
32. While the **insured auto** is being used in the commission of a crime, including any attempt to elude law enforcement personnel. This exclusion does not apply to minor traffic violations or in a situation where the **insured auto** has been stolen.
33. To the **insured auto** for **diminution of value**.
34. To any non-dealer or non-factory installed equipment that mechanically or structurally changes the **insured auto** and results in an increase in performance or a change in appearance. This also includes equipment which does not conform to this **state's** Motor Vehicle Code.
35. Damage or loss arising out of **your** failure to reasonably maintain or protect **your insured auto** or **non-owned auto** after the **loss**. **We** will consider extraordinary life circumstances such as serious injuries with respect to **your** failure to reasonably maintain or protect **your insured auto** or **non-owned auto** after the **loss**.
36. **Loss** caused by **Fungi**, wet or dry rot, or bacteria. This means the presence, growth, proliferation, spread, or any activity of **fungi**, wet or dry rot, or bacteria. This exclusion does not apply to damage directly resulting from a **loss** covered under Comprehensive Coverage or Collision Coverage if you reasonably maintain or protect **your insured auto** or **non-owned auto** after the **loss**.
37. For expenses or **losses** arising from the unavailability of parts or repair service for foreign made and discontinued makes of auto, in the vicinity where **loss** to the **auto** occurs or the stolen **auto** is recovered.
38. For **temporary substitute autos** when the **insured auto** is out of use beyond 30 days.

LIMITS OF LIABILITY - PART D ONLY

Our limits of liability for loss shall not exceed the lesser of:

1. The actual cash value of the stolen or damaged property at the time of the loss.
2. The amount necessary to replace or repair the property to its physical condition

immediately prior to the loss, with other property of like, kind or quality. **We** may use parts produced by or for the vehicle's manufacturer or parts from other sources including, but not limited to, **aftermarket parts**, as specified in Payment of Loss - Part D Only; or

3. An estimate written based upon the prevailing competitive price. **You** agree with **us** that **we** may include in the estimate parts furnished by the original vehicle manufacturer or parts from other sources including non-original equipment manufacturers.

The prevailing competitive price means prices charged by a majority of the repair market in the area where the vehicle is to be repaired as determined solely by us.

Custom or additional equipment is not covered under this Part unless the value has been reported to **us** prior to the **loss** and a premium has been paid for the Custom or Additional Equipment coverage amount shown on the **Declarations page**.

All claims submitted under this Part shall be subject to the applicable **deductibles** shown on the **Declarations page**. Any applicable **deductible** amount and salvage value, if **you** retain salvage, will be subtracted from all **loss** payments.

If **we**, at **our** option, elect to pay for the cost to replace or repair the property or part, **our** liability does not include any decrease in the property's value, however measured, resulting from the **loss**, repair, or replacement. If repair or replacement results in the betterment of the property or part, **we** will not pay for the betterment.

If more than one **auto** shown on the **Declarations page** is insured under this Part of the policy, then **our** limit of liability shall not exceed the actual cash value of the highest-valued **auto** shown on the **Declarations page**.

Sound reproducing equipment and component parts shall be subject to a maximum limit of \$500 in the aggregate. Such equipment must be permanently installed by a factory or dealer as original equipment in the dash or console opening of the **insured auto**.

Duplicate recovery for the same elements of **loss** is not permitted.

If multiple auto policies issued by **us** are in effect for **you**, **we** will pay no more than the

highest limit of liability for this coverage available under any one policy.

STORAGE COSTS

We will pay reasonable and necessary expenses for the cost of storage of the **insured auto** in the event of a total **loss** that is covered by this policy. **We** will pay up to a maximum of \$250 for the cost of storage of the **insured auto** in the event of any other covered **loss** that is not a total **loss**.

APPRAISAL - PART D ONLY

If **you** and **we** cannot agree on the amount of **loss**, either may demand appraisal of the **loss**. Both parties will be bound by the results of the appraisal. Within 30 days after an appraisal has been demanded, each party will select and appoint a competent, impartial appraiser and will notify the other party of their selection.

The appraisers will determine the amount of **loss**. An agreement on the amount of **loss** by the appraisers will be binding on **you** and us.

If the appraisers fail to agree, they will select a qualified, impartial umpire and submit their difference to the umpire. If the appraisers cannot agree on an umpire within 15 days, **we** or **you** may request that a judge of a court of record in the county where **you** reside select the umpire. An agreement on the amount of the **loss** by any two of these three shall be binding on **you** and us, subject to the terms of this policy. Attorney fees shall not be regarded as appraiser's fees and expenses. All other expenses of the appraisal, including the umpire's fees if one is appointed, shall be shared equally by **you** and us.

Neither **you** nor **we** waive any duties or rights afforded under this policy by agreeing to an appraisal.

PAYMENT OF LOSS - PART D ONLY

We may pay for the **loss** in money or **we** may repair the damaged or stolen property. **We** may take all or part of the damaged property at the agreed or appraised value. Before a **loss** is paid or the property is replaced, **we** may return any stolen property to **you** at **our** expense with payment for any damage.

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 15 days from the date the theft is reported in writing to the police and to **us** to either issue payment or replace the property.

OTHER INSURANCE - PART D ONLY

If other insurance applies to a **loss** covered under this Part, **we** will pay only **our** share of the **loss**. **Our** share is the pro-rata amount of **our** limit of liability compared to all available limits of liability.

For any **loss** to which Uninsured/Underinsured motorist Coverage (from this or any other policy) and this coverage both apply, **you** may choose the coverage from which damages will be paid. **You** may recover under both coverages, but only if:

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

NO BENEFIT TO BAILEE

This coverage shall not directly or indirectly benefit any person, organization, group, or other bailee caring for or handling property for a fee or compensation.

TIMELINESS OF REPAIRS

In the event of **loss**, **you** must begin repairs on the **insured auto** as soon as practicable 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.

TWO OR MORE AUTOMOBILES

When **we** insure 2 or more vehicles under this policy, the terms and conditions of this policy shall apply separately to each vehicle.

PART E – DUTIES

INSURED PERSONS DUTIES IN CASE OF ACCIDENT OR LOSS

1. In the event of an accident or **loss**, **you** or any person claiming coverage under this policy must notify **us** within 24 hours or as soon as practicable.

2. In the event of an accident or **loss**, **you** or any person claiming coverage under this policy must provide **us** with the following accident or **loss** information:
 - a. The date, time and place of the accident or **loss**;
 - b. The license plate numbers of the vehicles involved, and the names and addresses of injured persons, if this information is known to the insured.
3. Cooperate with **us** in any matter concerning a claim or a suit.
4. Provide **us** access, as **we** may require, to the recorded data contained within the **insured auto's** event data recorder (EDR), global positioning system (GPS), or similar device, in connection with any matter concerning an accident, claim or suit.
5. Submit to physical examination at **our** expense, by doctors **we** select, as often as **we** may require, and authorize **us** to obtain pertinent medical and other records related to the injuries or damages asserted.
6. Provide any written proof of **loss** under oath that **we** may require.
7. Attend hearings and trials as **we** or a court may require.
8. Send **us** promptly any legal papers received in regard to any claim or suit for which coverage may be sought.
9. Submit to statements or examinations under oath and subscribe to the same as **we** may require. **We** may examine any **insured person** under oath, while not in the presence of any other **insured person**, about any matter relating to this insurance or to the claim. This includes an **insured person's** books and records subject to Tex. Ins. Code 542.004. subsection 2 (B). If the person to be examined under oath is a minor, a parent or guardian may be present during the examination.
10. A person claiming Uninsured/Underinsured Motorist Coverage, or someone on their behalf, must notify the police as soon as practicable after the accident if a hit-and-run driver is involved.
11. Allow **us** to take signed or recorded statements when and as often as **we** may require.
12. If coverage is claimed for **property damage** or loss or damage to the **insured auto**, the

person claiming coverage must take reasonable steps after the accident to protect the property from any further loss or damage. **We** will pay the reasonable expenses incurred in providing that protection. In the event of any theft or vandalism of the **insured auto**.

13. **You** must allow **us** to inspect and appraise the damaged property before its repair or disposal.

FAILURE TO COMPLY WITH ANY OR ALL OF THE CONDITIONS ABOVE MAY RESULT IN **OUR REFUSAL TO EXTEND TO YOU ANY PROTECTION UNDER THIS POLICY FOR THE ACCIDENT OR LOSS.**

OUR DUTIES IN THE EVENT OF A CLAIM

1. Receipt of a Claim:

Within 15 days after **we** receive **your** written notice of claim, **we** must:

- a. Acknowledge receipt of the claim. If **our** acknowledgment of the claim is not in writing, **we** will keep a record of the date, method and content of **our** acknowledgment.
- b. Begin any investigation of the claim.
- c. Specify the information **you** must provide in accordance with paragraphs 1 through 13 above.

We may request more information, if during the investigation of the claim such additional information is necessary.

2. Notice of Acceptance or Rejection of Claim:
After **we** receive the information **we** request, **we** must notify **you** in writing whether the claim will be paid or has been denied or whether more information is needed:
 - a. Within 15 **business days**; or
 - b. Within 30 days if **we** have reason to believe the loss resulted from arson.
3. If **we** do not approve payment of **your** claim or require more time for processing **your** claim, **we** must:
 - a. Give the reasons for denying **your** claim; or
 - b. Give the reasons **we** require more time to process **your** claim. But, **we** must either approve or deny **your** claim within 45 days after **our** requesting more time.

4. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above are extended for an additional 15 days.
5. Loss Payment:
 - a. If **we** notify **you** that **we** will pay **your** claim, or part of **your** claim, **we** must pay within 5 **business days** after **we** notify **you**.
 - b. If payment of **your** claim or a part of **your** claim requires the performance of an act by **you**, **we** must pay within 5 **business days** after the date **you** perform the act.
6. Notice of Settlement of Liability Claim
 - a. **We** will notify **you** in writing of any initial offer to compromise or to settle a claim against **you** under the liability section of this policy. **We** will give **you** notice within 10 days after the date the offer is made.
 - b. **We** will notify **you** in writing of any settlement of a claim against **you** under the liability section of this policy. **We** will give **you** notice within 30 days after the date of the settlement.

DUTY TO REPORT CHANGES

You must promptly notify **us** when:

1. **Your** mailing or **household** address changes;
2. The principal garaging address for an **insured auto** or **trailer** shown on the **Declarations page** changes;
3. There is a change with respect to the **residents** in **your household** or the persons who regularly operate an **insured auto**;
4. An operator's marital status changes; or
5. **You** or a **household member** obtains a driver's license or operator's permit.

PART F- ADDITIONAL COVERAGES

The following applies to additional or optional coverages and endorsements:

TOWING AND LABOR COVERAGE

If the **Declarations page** shows a specific premium charged for Towing and Labor Coverage, **we** will pay up to the limits shown on the **Declarations page** for towing and labor costs incurred each time the **insured auto** is disabled due to mechanical breakdown or failure, which does not include its running out of gas. **We** will cover labor, not including emergency locksmith repair, only if performed at the place of disablement. **You** agree to provide **us** with proof in the form of verifiable receipts of towing and labor charges incurred.

RENTAL REIMBURSEMENT COVERAGE

If the **Declarations page** shows a specific premium charged for Rental Reimbursement coverage, **we** agree to pay **you** for any reasonable and necessary transportation expense incurred. **Our** limit of liability shall not exceed the limit shown on the **Declarations page**, payable for a maximum of 30 days, for the loss of use of the **insured auto** because of damage covered under Part A or D.

1. In the event of theft, **you** must report the **loss** to the police within 24 hours. Rental Reimbursement coverage will terminate when the **insured auto** is returned to **you** for use or when **we** pay the **loss**. **We** will pay for the rental vehicle beginning 72 hours after the **loss**.
2. **Insured auto** means the vehicle that is described on the **Declarations page** and for which a specific premium is charged for this coverage.
3. The **insured auto** must be continuously withdrawn from normal use for more than 24 hours as a result of a **loss** to which this policy applies.
4. **We** will reimburse **you** for rental only for the length of time required to repair or replace the **insured auto** as quickly and reasonably as possible.

This endorsement is subject to such exclusions, conditions, and other terms of the policy which are applicable to Part D for damage to the **insured auto**. This applies whether **you** have purchased coverage under Part D, or not.

LIMITED MEXICO COVERAGE

WARNING!

Auto accidents in Mexico are subject to the laws of Mexico only – NOT the laws of the United States of America. Unlike the United States, the Republic of Mexico considers an **auto accident** a CRIMINAL OFFENSE as well as a civil matter.

In some cases, the coverage under this endorsement may NOT be recognized by Mexican authorities and the company may not be allowed to implement this coverage at all in Mexico. **You** should consider purchasing **auto** coverage from a licensed Mexican Insurance Company before driving into Mexico.

This endorsement does not apply to trips into Mexico that exceed 25 miles from the boundary of the United States of America.

The coverages for **your insured auto** provided by this policy are extended to **accidents** occurring in Mexico within 25 miles of the United States border. This extension only applies for infrequent trips into Mexico that do not exceed ten days at any one time.

Additional Exclusions

We do not provide any coverage:

1. If **your insured auto** is not principally garaged and used in the United States; and
2. To any **insured person** who does not live in the United States.

Special Conditions

1. Other Insurance. The insurance **we** provide by this endorsement will be excess over any other collectible insurance.
2. Losses Payable Under Coverage for Damage to the Insured Auto. **We** will pay **losses** under Coverage for Damage to the Insured Auto in the United States, not in Mexico. If **your insured auto** must be repaired in Mexico in order to be driven, **we** will not pay more than the actual cash value of such **loss** at the nearest United States point where the repairs can be made.

PART G - GENERAL PROVISIONS

POLICY PERIOD & TERRITORY

This policy shall become effective on the date and the time shown on the **Declarations page** at

the address shown on the **Declarations page**. The policy will expire on the date and time specified on the **Declarations page** at the address shown on the **Declarations page**, unless terminated sooner.

This policy applies only to accidents and losses that occur;

1. During the policy period shown on the **Declarations page**; and
2. Within the policy territory.

The policy territory is:

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

If **you** owe **us** any premium on **your** expired or expiring policy, these funds must be paid before **your** policy will be renewed by **us**. Any payment sent by **you** will first be used to pay any balance owed on the expired or expiring policy and any remainder of such payment will be applied to the renewal premium.

PREMIUM CHANGES

The premium for this policy is based on the information that **we** have received from **you** and from other sources.

You agree:

1. That if **you** provide incorrect or incomplete information, or if any information material to calculating the policy premium changes, **we** may adjust the premium accordingly during the policy period;
2. To cooperate with **us** in determining if this information is correct and complete. **You** must advise **us** of any changes in this information as soon as possible ; and
3. That the return premium will be calculated on the basis of the correct premium, if this policy is canceled.

Any adjustment of **your** premium will be made using the rules in effect at the time of the change.

Premium adjustment may be made as the result of a change in:

1. Any **auto** insured by the policy including changes in use;
2. Drivers, driver's age, or driver's marital status;
3. Coverages or coverage limits;
4. Rating territory;

5. Eligibility for discounts or other premium credits; and
6. Any other rating criteria.

LIBERALIZATION CLAUSE

We may revise **your** policy coverages to provide more protection without additional premium charge. If **we** do this and **you** have the coverage which **we** change, **your** policy will automatically provide the additional coverage as of the date the revision is effective in **your state**. Otherwise, this policy, the **application**, the endorsements, the **Declarations page** and all attachments contain all of the coverage agreements between **you** and **us**. Its terms may not be changed or waived except by an endorsement issued by **us**.

PREMIUM PAYMENT

Premium payment means the actual receipt of cash funds by **us**. **We** provide coverage for each policy term only on condition that the initial premium payment and subsequent installment payments for that policy term are paid.

You have not paid a down payment premium for **your** initial policy if **you** give **us** a check, a credit card, an electronic funds transfer or similar form of remittance that is not honored at first presentation by the financial institution upon which it is drawn; this policy shall be immediately void from the inception of the policy term and no coverage will exist, regardless of whether the policy has been issued. Any action by **us** to present the remittance for payment more than once shall not affect **our** right to void this policy.

You have not paid an initial premium payment on a renewal term if **you** give **us** a check, a credit card, or an electronic funds transfer, or similar form of remittance that is not honored at first presentation by the financial institution upon which it is drawn; this policy shall be terminated for non-payment of premium effective the expiration date of the prior policy term. Any action by **us** to present the remittance for payment more than once shall not affect **our** right to cancel this policy.

If **you** receive a cancellation notice from **us**, referencing a regular installment payment, and informing **you** that **your** premium payment to **us** was returned unpaid, **you** must provide a replacement payment to **us** by means of either a cashier's check or money order. If payment is made by the due date noted on the cancellation

notice, then **your** policy will remain active and in force.

CANCELLATION AND NONRENEWAL

We will not cancel, nonrenew or discontinue **your** policy based in whole or in part on the age, race, color, religion or national origin of anyone who is an insured.

We will not cancel, nonrenew or discontinue **your** policy based solely on the fact that **you** are an elected official.

We will not nonrenew **your** policy based solely on **your** age.

You may cancel this policy by returning it to **us** or an authorized agent or by advising **us** in writing as to when the cancellation is to be effective at a future date. 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 on the **Declarations page** or by delivering the notice at least 10 days before the effective date of the cancellation.

If this policy has been in effect 60 days or more or it is a continuation or renewal policy, then **we** may cancel with at least 10 days' notice for the following:

1. For nonpayment of premium;
2. If **you** submit a fraudulent claim;
3. If **your** driver's license or motor vehicle registration or that of:
 - a. Any driver who lives with **you**; or
 - b. Any driver who customarily **uses** the **insured auto**
4. Has been suspended or revoked.

However, **we** will not cancel if **you** consent to the attachment of an endorsement eliminating coverage when the **insured auto** is being operated by the driver whose license has been suspended or revoked.

We will mail to **you** at the address shown on the **Declarations page** or deliver to **you** notice of nonrenewal not less than 30 days before the end of the policy period, if **we** decide not to renew or continue this policy. If the policy period is other than 1 year, we will have the right not to renew or continue it only at each anniversary of its original effective date.

Notwithstanding the above, **we** will nonrenew this policy if **you** or an **insured person** fails or refuses to cooperate with **us** in the investigation, settlement, or defense of a claim.

Proof of mailing 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 on a pro-rata basis. If **we** cancel, the refund will also be computed on a pro-rata basis. The effective date of the cancellation stated in a notice is the end of the policy period. All policy fees will be considered fully earned by **us** for purposes of calculating any refund. **We** shall refund the appropriate portion of any unearned premium to **you** no later than the 15th **business day** after the effective date of cancellation or termination of a policy.

This policy will automatically terminate at the end of the current policy period if **you** or **your** representative does not accept **our** offer to renew or continue it. **Your** failure to pay the required continuation or renewal premium when it is due means that **you** have declined **our** offer. If, at any time, **you** obtain other insurance on the **insured auto**, any similar insurance provided by this policy will terminate as to that **auto** on the effective date of the other insurance.

LIMITATIONS ON AGENT AUTHORITY

The authorized agent who obtained this policy for **you** has limited authority to act in transacting **business** with **you** on this policy. Any statement or assurance made by this authorized agent to **you** concerning **your** policy is governed by **our** guidelines and rules, as well as applicable laws and regulations. The authorized agent who obtained this policy for **you** does not possess any apparent, implied, or actual authority to act on **our** behalf after the expiration, cancellation, or nonrenewal of **your** policy with **us**. Any representations made by the authorized agent after a notice of termination has been initiated, by either **you** or **us**, will apply only if **we** provide prior written approval.

SUITS AGAINST US

We may not be sued unless there is full compliance with all of the terms of this policy. **We** may not be sued under Part A of this policy until the obligation of an insured to pay is finally determined either by a judgment against the insured or by written agreement of the insured, 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. Action must be brought against **us**

within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of **our** contractual duties as alleged in the action. This section does not apply to Part C - Uninsured/Underinsured Motorist Coverage.

FRAUD OR MISREPRESENTATION

This policy was issued in reliance upon the information provided on **your** insurance application.

To the extent permitted by the applicable sections of the Texas Insurance Code, **we** will void this policy from its inception if it is shown at trial that a matter misrepresented on an **application** for insurance:

- (1) was material to the risk; or
- (2) contributed to the contingency or event on which the policy became due and payable.

To the extent permitted by the applicable sections of the Texas Insurance Code, **we** will void this policy from its inception if it is shown at trial that a matter misrepresented in proof of loss or death:

- (1) was fraudulently made;
- (2) misrepresented a fact material to the question of **our** liability under this policy; and
- (3) misled **us** and caused **us** to waive or lose a valid defense to the policy.

TWO OR MORE AUTO POLICIES

If this policy and any other **auto** insurance policy issued to **you** by **us** apply to the same accident, the maximum limit of **our** liability under all of the policies shall not exceed the highest applicable limit of liability under any one policy, even though separate premiums have been paid.

TRANSFER OF YOUR INTEREST IN THIS POLICY

Interest in this policy may not be assigned or transferred without **our** written consent. However, if **you** die, coverage will be provided for:

1. Any person specifically named as an operator on the **Declarations page**; and
2. The legal representative of the deceased person while acting within the scope of his or her duties as a legal representative.

If the **insured auto** is sold, coverage will terminate as to that **auto** when the buyer takes possession of the **auto**. Coverage will not transfer to the new **owner**.

BANKRUPTCY

An insured's bankruptcy or insolvency will not relieve **us** of any obligation under this policy.

OUR RECOVERY RIGHTS

If **we** make a payment under this policy and the person receiving payment is entitled to recover from another, **we** are entitled to those same rights of recovery to the extent of **our** payment. **You** and anyone **we** cover must sign and deliver to **us** any legal papers relating to that recovery, do whatever else is necessary to help **us** exercise **our** rights, and do nothing after a loss to harm **our** rights.

When a person has been paid by **us** under this policy and also recovers from another, the amount recovered from the other shall be held by that person in trust for **us** and reimbursed to **us** to the extent of **our** payment, provided that the person to or on behalf of whom such payment is made is fully compensated for their loss.

If an **insured person** or organization receives recovery from a responsible party without **our** written consent, the **insured person** or organization's right to payment under any affected coverages of this policy will no longer exist.

LOSS PAYABLE CLAUSE

We will pay loss or damage due under this policy according to **your** interest and that of the loss payee if one is shown on the **Declarations page**.

We will pay the loss payee for a loss under this policy even though **you** have violated the terms of the policy by something **you** have done or failed to do. However, **we** will not pay for any loss caused by:

1. In any case of conversion, embezzlement, secretion, or willful damaging or destruction, of the **insured auto** by or at the direction of **you**, a **relative**, or the **owner** of the **insured auto**; or
2. To any loss caused by, or reasonably expected to result from, a criminal act or criminal omission of **you**, a **relative**, or the **owner** of the **insured auto**. This applies if

you, the **relative**, or the **owner** of the **insured auto** is charged with or convicted of a crime. For purposes of this clause, criminal acts or criminal omissions do not include traffic violations or driving under the influence violations.

We may cancel this policy according to its terms. **We** will protect the loss payee's interest for 10 days after **we** mail them notice that the policy has terminated, for any reason. If **we** pay the loss payee for any loss or damage suffered during that 10 day period, **we** have the right to recover the amount of any such payment from **you**.

If **you** fail to give proof of loss within the time allowed, the loss payee may protect its interest by filing a proof of loss within 90 days after that time.

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

The **deductible** amount applicable to losses payable to the loss payee under Part D – Coverage for Damage to the Insured Auto shall be the **deductible** amount shown on the **Declarations page** for this coverage.

TERMS OF POLICY CONFORMED TO STATUTE

Terms of this policy that conflict with the statutes of the State of Texas are hereby amended to conform to such statutes.

COMPANY STATEMENT

This policy is issued to **you** by **us**. By accepting this policy, **you** agree:

1. That the statements in the **Declarations page, application**, endorsements, or any other documents related to this policy are **your** representations;
2. That this policy is issued in reliance upon the truth of those representations; and
3. That this policy embodies all the agreements existing between **you** and **us** or any of **our** agents relating to this policy.
4. This policy is issued subject to the constitution and bylaws and all amendments thereto of the company which shall form part of this policy.

IN WITNESS WHEREOF, **we** have caused this policy to be signed by **our** President and Secretary.



President



Secretary

The following endorsement applies only if form number 42ED appears on **your Declarations page**:

42ED – EXCLUSION OF NAMED DRIVER AND REJECTION OF COVERAGES

**WARNING
READ THIS ENDORSEMENT
CAREFULLY!**

This acknowledgment and rejection is also applicable to all renewals issued by **us** or any affiliated insurer.

You agree that none of the insurance coverages afforded by this policy shall apply while any excluded driver that is listed on either the **application** or **declarations** is operating **your insured auto** or any other motor vehicle. **You** further agree that this endorsement will also serve as a rejection of Uninsured/Underinsured Motorists Coverage and Personal Injury Protection Coverage while **your insured auto** or any other motor vehicle is operated by the excluded driver.

The following endorsement applies only if form number **TXNO0923** appears on **your Declarations Page**.

TXNO0923 NON-OWNER POLICY

The provisions and exclusions that apply to this Personal Auto Policy apply to this endorsement, except as changed by this endorsement.

This endorsement supersedes any language or provisions found elsewhere in the policy which contradict the language and provisions contained in this endorsement.

INSURING AGREEMENT

If **you** have purchased a Non-Owner Policy, **you** agree with **us** that the Personal Auto Policy is amended as follows:

DEFINITIONS USED THROUGHOUT THIS POLICY

The following definitions replace those found in the section titled Definitions Used Throughout this Policy:

10. **Insured auto** means any **non-owned auto** or **trailer** provided that:

- a. **You** have the express or implied permission of the **owner** to use the **auto** or **trailer**;
- b. The **auto** is not available for the regular or frequent use of **you**, a **relative** or **resident**;
- c. The **auto** is not **owned** by **you**, a **relative** or **resident**.

PART A – LIABILITY COVERAGE

The **INSURING AGREEMENT** section is deleted and replaced by the following:

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay damages for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an **accident**. Damages include prejudgment interest awarded against an **insured person**. **We** will settle or defend, at **our** option, any claim for damages covered under Part A- Liability Coverage.

Our duty to settle or defend ends when **our** limit of liability for this coverage has been exhausted. **We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

PART B1 – MEDICAL PAYMENTS COVERAGE

The **INSURING AGREEMENT** section is deleted and replaced by the following:

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay medical expenses, not exceeding the limits shown on the **Declarations page**, incurred as a result of **bodily injury** caused by an accident and sustained by an **insured person**.

PART B2 – PERSONAL INJURY PROTECTION COVERAGE

The **INSURING AGREEMENT** section is deleted and replaced by the following:

If **you** choose to not reject Personal Injury Protection coverage, **we** will pay Personal Injury Protection benefits, not exceeding the limits shown on the **Declarations page**, incurred as a result of **bodily injury** caused by an accident and sustained by an **insured person**.

We will pay only for those expenses incurred for services rendered within three years from the date of the accident.

PART C – UNINSURED / UNDERINSURED MOTORIST COVERAGE

The **INSURING AGREEMENT** section is deleted and replaced by the following:

If **you** choose to not reject Uninsured/Underinsured Motorist Coverage, **we** will pay up to the limits shown on the **Declarations page**, which an **insured person** is legally entitled to recover from the **owner** or operator of an **uninsured or underinsured motor vehicle** because of **bodily injury or property damage** caused by an accident resulting from the use of **your insured auto** and sustained by such **insured person**. The **bodily injury or property damage** must be caused by an accident and must arise out of the **ownership, maintenance or use** of the **uninsured or underinsured motor vehicle**.

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

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

For a loss caused by an **underinsured motor vehicle**, **we** will pay Uninsured/Underinsured Motorist Coverage only after the limits of liability under all applicable liability bonds or policies have been exhausted by payment of judgment or settlements.

The definition of **property damage** is replaced by the following:

2. **Property damage** means damage to or loss of use of:
 - a. Any property **owned** by an **insured person** while contained in the **insured auto**; and
 - b. Any property **owned** by **you**, while contained in any **auto** not **owned** but operated by **you**.

PART D – COVERAGE FOR DAMAGE TO THE INSURED AUTO

This section is deleted in its entirety. No coverage applies under Part D- Coverage for Damage to the Insured Auto of this policy.

4293 CUSTOM OR ADDITIONAL EQUIPMENT COVERAGE

If the **Declarations page** shows a premium charged for Custom or Additional Equipment Coverage, **we** will pay for a direct and accidental **loss** to additional equipment. The

additional equipment must be identified by **you** to

us prior to the **loss** and be permanently attached to the **insured auto**. **Our** limit of liability for **loss** to the additional equipment shall not exceed the lesser of:

1. The actual cash value of the stolen or damaged property at the time of the **loss**. This may include an adjustment for any depreciation or betterment.
2. The amount that is necessary to repair or to replace the property as specified in Payment of Loss – Part D Only; or
3. The declared value of the identified equipment as shown on the **Declarations page**.

The amount will be reduced by the applicable **deductible** that is listed on the **Declarations page**.

Our limit of liability for Custom or Additional Equipment Coverage under this Part shall not exceed the limit that is shown on the **Declarations page**.

We do not cover a **loss** to any additional equipment unless:

1. It is declared by **you**;
2. It is approved by **us**; and
3. **You** pay any additional premium that is charged for Custom or Additional Equipment Coverage.

This includes, but it not limited to, the following types of equipment:

1. Awnings, cabanas, campers, or custom enclosures.
2. Any equipment that is designed to provide additional living facilities.
3. Any equipment or alteration not:
 - a. Permanently installed at the factory by:
 - i. The original make and model vehicle manufacturer; or
 - ii. An authorized dealer; and
 - b. It is considered standard or optional equipment for such vehicle.

Equipment installed, or alterations made, at a conversion facility to an **auto** or camper is not considered standard or original optional equipment installed by the vehicle manufacturer.

4. Non-standard chrome, alloy, aluminum, or magnesium

- wheels.
5. Custom wide-tread tires and racing slicks.
 6. Custom chroming or gold plating.
 7. Two-tone or custom paint work.
 8. Custom interior work.
 9. Captains or swivel chairs or tables.
 10. Sun roof, moon roof, t-bar roof, or landau, if not:
 - a. Permanently installed by:
 - i. The original make and model vehicle manufacturer; or
 - ii. An authorized dealer; and
 - b. It is considered standard or optional equipment for such vehicle.
 11. Bubble dome or bubble window.
 12. Any deluxe roof treatment.
 13. Satellite navigational devices if not:
 - a. Permanently installed by:
 - i. The original make and model vehicle manufacturer; or
 - ii. An authorized dealer; and
 - b. It is considered standard or optional equipment for such vehicle.
 14. Any ground effects package.
 15. Continental kits.
 16. Telephones, if not:
 - a. Permanently installed by:
 - i. The original make and model vehicle manufacturer; or
 - ii. An authorized dealer; and
 - b. It is considered standard or optional equipment for such vehicle.
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571A. FINANCIAL RESPONSIBILITY CERTIFICATION (SR-22 Filings)

For the additional fee shown in the **Declarations page** of the policy **we** certify this policy as proof of financial responsibility as required by the Texas Motor Vehicle Safety Responsibility Act. If this policy is cancelled or terminated, **we** will give written notice to the Texas Department of Public Safety in accordance with the provisions of the Texas Motor Vehicle Safety Responsibility Act prior to the date of such cancellation or termination.

The following endorsement applies only if form number 4293 appears on **your Declarations page**:

IMPORTANT NOTICE

NON-RENEWALS FOR NOT-AT-FAULT ACCIDENTS OR CLAIMS (28 TAC §5.7016)

We may not use any of the following types of accidents or claims as the only reason for refusing to renew your personal auto policy:

1. A claim involving damage from a weather-related incident that does not involve a collision (some examples being hail, flood, tornado, winds or hurricanes);
2. An accident or claim involving damage by contact with an animal or a fowl;
3. An accident or claim involving damage caused by flying gravel, missiles or falling objects; however, if you have three of these losses in any 36-month period, we may increase your deductible to the higher of \$250 or the next available deductible increment higher than your present deductible amount, at your renewal date;
4. A claim under towing and labor protection; however, if you have four claims of this type in any 36-month period, we have the option of eliminating this coverage from your policy;
5. Any other not-at-fault accident or claim unless there are two or more of these accidents or claims in any 12- month period.

“Refusal to renew” means our refusal to renew your personal auto policy in the same company which originally issued the policy.

To the extent of any possible conflict between this notice and the Texas Administrative Code (28 TAC §5.7016), the latter will be controlling.