

SERFF Tracking Number: KEMP-125887690 State: Arkansas
Filing Company: Trinity Universal Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: FPVS18470109F
TOI: 30.0 Homeowners/Auto Combinations Sub-TOI: 30.0000 Homeowner/Auto Combinations
Product Name: Package Plus
Project Name/Number: VS 1847 Revision/FVS18470109F

Filing at a Glance

Company: Trinity Universal Insurance Company

Product Name: Package Plus

TOI: 30.0 Homeowners/Auto Combinations

Sub-TOI: 30.0000 Homeowner/Auto
Combinations

Filing Type: Form

SERFF Tr Num: KEMP-125887690 State: Arkansas

SERFF Status: Closed

Co Tr Num: FPVS18470109F

Co Status:

Author: Patricia Romer

Date Submitted: 11/04/2008

State Tr Num: EFT \$50

State Status: Fees verified and
received

Reviewer(s): Alexa Grissom, Betty
Montesi

Disposition Date: 11/13/2008

Disposition Status: Approved

Effective Date Requested (New): 02/01/2009

Effective Date Requested (Renewal): 03/20/2009

Effective Date (New): 02/01/2009

Effective Date (Renewal):

03/20/2009

State Filing Description:

Changes involve auto.

General Information

Project Name: VS 1847 Revision

Project Number: FVS18470109F

Reference Organization:

Reference Title:

Filing Status Changed: 11/13/2008

State Status Changed: 11/05/2008

Corresponding Filing Tracking Number:

Filing Description:

The above captioned company, an associate of Unitrin, is filing a revised Package Plus Policy. Package Plus Policy, VS 1847 (09 06), will replace VS 1847 (04 02). The following revisions have been made to Section III – Personal Auto Coverage to adopt ISO PAP 1998 Auto Policy language.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

- Under Definitions section, the definition of “you” and “your” was revised to provide a separated spouse with temporary

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coverage

- Definition section has been changed to clarify that leased pickups and vans are considered owned autos under the policy
- Definition for “newly acquired vehicle” was added
- The Part A - Liability Coverage Insuring Ageement was revised to clarify the policy’s defense coverage
- Under Part A - Liability Coverage, Supplementary Payments, paragraph 3. ‘our limit’ was changed to ‘our limit of liability’
- Under Part A - Liability Exclusions, Exclusion B.1. no longer applies to non-owned golf carts

Company and Contact

Filing Contact Information

Patricia Romer, Forms Manager promer@ekemper.com
 12926 Gran Bay Parkway West (904) 245-5764 [Phone]
 Jacksonville, FL 32258 (904) 245-5601[FAX]

Filing Company Information

Trinity Universal Insurance Company CoCode: 19887 State of Domicile: Texas
 12926 Gran Bay Parkway West Group Code: 215 Company Type:
 Jacksonville, FL 32258 Group Name: State ID Number:
 (904) 245-5600 ext. [Phone] FEIN Number: 75-0620550

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Trinity Universal Insurance Company	\$50.00	11/04/2008	23698861

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Alexa Grissom	11/13/2008	11/13/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Alexa Grissom	11/06/2008	11/06/2008	Patricia Romer	11/07/2008	11/07/2008

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Disposition

Disposition Date: 11/13/2008
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Status: Approved
Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Marked Up Copy - AU 933	Approved	Yes
Supporting Document	Marked Up Copy - VS 1847	Approved	Yes
Supporting Document	PP 04 95	Approved	Yes
Form	Package Plus Policy	Approved	Yes
Form	Auto Changes To Your Policy - Arkansas	Approved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 11/06/2008
Submitted Date 11/06/2008
Respond By Date

Dear Patricia Romer,

This will acknowledge receipt of the captioned filing. Per Bulletin No. 19-89, Arbitration must be voluntary and non-binding.

Please feel free to contact me if you have questions.

Sincerely,
Alexa Grissom

Response Letter

Response Letter Status Submitted to State
Response Letter Date 11/07/2008
Submitted Date 11/07/2008

Dear Alexa Grissom,

Comments:

Response 1

Comments: Attached is a copy of the company's Uninsured Motorist Coverage endorsement, PP 0495 (10 017), which contains a revision to the policy's Arbitration provision. This endorsement was approved under filing KEMP 125236629.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: PP 04 95

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

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Sincerely,
Patricia Romer

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Package Plus Policy	VS 1847	09 06	Policy/Coverage Form Replaced	Replaced Form #:44.90 VS 1847 (04 02) Previous Filing #:		vs18470906 Final.pdf
Approved	Auto Changes To Your Policy - Arkansas	AU 933	01 09	Endorsement/Amendment/Conditions Replaced	Replaced Form #:45.20 AU 933 (10 07) Previous Filing #:		au9330109. Final.pdf

INTRODUCTION

ABOUT YOUR POLICY

This is your Package Plus, a combination homeowners and auto policy. Throughout the policy, "you" and "your" mean the person shown as the "Named Insured" in the Declarations. It also means the spouse if a resident of the same household. "We", "our" and "us" mean the company which issued the policy. The name of that company is listed on your Declarations Page.

Your policy consists of:

- your Declarations Page.
 - this policy booklet.
 - any endorsements and amendments which we issue with your policy.
-

AGREEMENT

We are issuing this policy in return for payment of the premium. By issuing this policy, we agree to provide those insurance coverages described in your policy for which the required premium is paid by the due date. This policy is a legal contract between you and us.

HOW YOUR POLICY IS ORGANIZED

We want you to understand the coverage provided by your policy. We organized your policy so that it is easy to find information about your coverage. This Introduction explains how to use your policy.

We divided your policy into the following main parts:

The **Declarations Page** gives you important information about your policy, including:

- the name of the company providing this coverage.
- your policy number.
- your agent's name and address.
- when your policy will be in effect.
- the name of any mortgagee or loss payee who may be entitled to recover for a property loss.
- the location of your residence.
- the coverages, amounts of insurance and limits of liability that apply.
- the deductible(s) applying to your policy.
- the autos and trailers covered.
- a list of endorsements and amendments included with your policy at the time the policy itself is issued.
- the initial premium for your policy.

The **Introduction** tells you:

- about your policy.
- what we agree to do by issuing this policy.
- how your policy is organized.

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PACKAGE PLUS

DEFINITIONS THAT APPLY TO SECTIONS I AND II

The following words and phrases are defined as used in Sections I and II.

1. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
2. "Business" includes trade, profession or occupation.
3. "Insured" means you and residents of your household who are:
 - a. Your relatives; or
 - b. Other persons under the age of 21 and in the care of any person named above.Under Section II, "insured" also means:
 - c. With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3.a. or 3.b. above. A person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner is not an "insured";
 - d. With respect to any vehicle to which this policy applies:
 - 1) Persons while engaged in your employ or that of any person included in 3.a. or 3.b. above; or
 - 2) Other persons using the vehicle on an "insured location" with your consent.
4. "Insured location" means:
 - a. The "residence premises";
 - b. The part of other premises, other structures and grounds used by you as a residence and:
 - 1) Which is shown in the Declarations; or
 - 2) Which is acquired by you during the policy period for your use as a residence;
 - c. Any premises used by you in connection with a premises in 4.a. or 4.b. above;
 - d. Any part of a premises:
 - 1) Not owned by an "insured"; and
 - 2) Where an "insured" is temporarily residing;
 - e. Vacant land, other than farm land, owned by or rented to an "insured";
 - f. Land owned by or rented to an "insured" on which a one or two family dwelling is being built as a residence for an "insured";
 - g. Individual or family cemetery plots or burial vaults of an "insured"; or
 - h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
5. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
 - a. "Bodily injury"; or
 - b. "Property damage."
6. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
7. "Residence employee" means:
 - a. An employee of an "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services; or
 - b. One who performs similar duties elsewhere not related to the "business" of an "insured."
8. "Residence premises" means:
 - a. The one family dwelling, condominium unit, other structures, or grounds; or
 - b. That part of any other building;
where you reside and which is shown in the Declarations."Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown in the Declarations.

9. "Personal injury" means injury arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment, or malicious prosecution;
 - b. Libel, slander or defamation of character; or
 - c. Invasion of privacy, wrongful eviction or wrongful entry.
-

SECTION I - PROPERTY COVERAGES

COVERAGE A - DWELLING

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
2. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises."
3. Additions, alterations, fixtures, improvements or installations if you maintain a private residence in a condominium unit that you own at the "insured location." They must be part of the building within your unit. We cover items of real property that pertain exclusively to your condominium unit. We also cover other property which you are required by the Condominium Association agreement to insure. We do not cover:
 - a. Structures used in whole or in part for "business" purposes; or
 - b. Structures rented or held for rental to any person not a tenant of the "residence premises," unless used solely as a private garage.

This coverage does not apply to land, including land on which the dwelling is located.

COVERAGE B - OTHER STRUCTURES

We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. Used in whole or in part for "business"; or
 2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.
-

COVERAGE C - PERSONAL PROPERTY

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is \$5,000 or 10% of the Blanket Property Limit, whichever is greater. But this amount does not increase the Blanket Property Limit. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

Special Limits of Liability. These limits do not increase the Blanket Property Limit. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.

2. \$1,000 on securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

3. \$1,000 on watercraft, including their trailers, furnishings, equipment and outboard motors.
4. \$1,000 on trailers not used with watercraft.
5. \$5,000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones; but not exceeding \$1,000 for any one article.
6. \$2,000 for loss by theft of firearms.
7. \$5,000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
8. \$2,500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits 10. and 11. below.
10. \$1,000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
 - a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or media; for use with any electronic apparatus.
11. \$1,000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
 - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
 - b. Is away from the "residence premises"; and
 - c. Is used at any time or in any manner for any "business" purpose.Electronic apparatus includes:
 - a. Accessories and antennas; or
 - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.

Property Not Covered. We do not cover:

1. Articles separately described and specifically insured in this or other insurance;
2. Animals, birds or fish;
3. Motor vehicles or all other motorized land conveyances.

This includes:

- a. Their equipment and accessories; or
- b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
 - 1) Accessories or antennas; or
 - 2) Tapes, wires, records, discs or other media; for use with any electronic apparatus.

This exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
 - b. Designed for assisting the handicapped.
4. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
 5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
 6. Property in an apartment regularly rented or held for rental to others by an "insured," except as provided in Additional Coverage 10.;
 7. Property rented or held for rental to others off the "residence premises";
 8. "Business" data, including such data stored in:
 - a. Books of account, drawings or other paper records; or
 - b. Electronic data processing tapes, wires, records, discs or other software media;However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market; or
 9. Credit cards or fund transfer cards except as provided in Additional Coverages 6.
-

COVERAGE D - LOSS OF USE

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph b. below.
 - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
 - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is not fit to live in.Payment under a. or b. will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.
2. If a loss covered under this Section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the:
Fair Rental Value, meaning the fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.
Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.
3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value loss as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

ADDITIONAL COVERAGES

1. **Debris Removal**. We will pay your reasonable expense for the removal of:
 - a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
 - b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

We will also pay your reasonable expense, up to \$500 in the aggregate for the removal from the "residence premises" of:

- a. Your trees(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or

c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C; provided the tree(s) damages a covered structure.

The cost of removing debris or fallen trees under this provision is included in the Blanket Property Limit that applies to the damaged property. It does not increase the Blanket Property Limit.

2. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. Does not increase the Blanket Property Limit applying to the property being repaired;
- b. Does not relieve you of your duties, in case of a loss to covered property, as set forth in SECTION I - CONDITION 2.d.

3. **Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned by or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

The limit of liability for this coverage will not be more than 5% of the Blanket Property Limit or more than \$500 for any one tree, shrub or plant. We do not cover property grown for business purposes.

This coverage is additional insurance.

4. **Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response. This coverage is additional insurance. No deductible applies to this coverage.

5. **Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the Blanket Property Limit that applies to the property being removed.

6. **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$5,000 for:

- a. The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name.
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name.
- c. Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

This coverage is additional insurance. No deductible applies to this coverage.

Defense:

- a. We may investigate and settle any claims or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.

c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

7. **Loss Assessment.** We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE A - DWELLING, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTION I AND II - CONDITIONS, does not apply to this coverage.

8. **Collapse.** We insure for direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:
- Perils Insured Against in COVERAGE C - PERSONAL PROPERTY. These perils apply to covered building and personal property for loss insured by this additional coverage;
 - Hidden decay;
 - Hidden insect or vermin damage;
 - Weight of contents, equipment, animals or people;
 - Weight of rain which collects on a roof; or
 - Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e., and f. unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

This coverage does not increase the Blanket Property Limit applying to the damaged covered property.

9. **Glass or Safety Glazing Material.**

We cover:

- The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- Damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window.

This coverage does not include loss on the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

Loss for damage to glass will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the limit of liability that applies to the damaged property.

10. **Landlord's Furnishings.** We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in an apartment on the "residence premises" regularly rented or held for rental to others by an "insured," for loss caused only by the following Perils Insured Against:

- Fire or lightning.**
- Windstorm or hail.**

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

c. **Explosion.**

d. **Riot or civil commotion.**

e. **Aircraft**, including self-propelled missiles and spacecraft.

f. **Vehicles.**

g. **Smoke**, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

h. **Vandalism or malicious mischief.**

i. **Falling objects.**

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

j. **Weight of ice, snow or sleet** which causes damage to property contained in a building.

k. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

This peril does not include loss:

- 1) To the system or appliance from which the water or steam escaped;
- 2) Caused by or resulting from freezing except as provided in the peril of freezing below; or
- 3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

l. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

m. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.

This peril does not include loss on the "residence premises" while the dwelling is unoccupied, unless you have used reasonable care to:

- 1) Maintain heat in the building; or
- 2) Shut off the water supply and drain the system and appliances of water.

n. **Sudden and accidental damage from artificially generated electrical current.**

This peril does not include loss to a tube, transistor or similar electronic component.

o. **Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

The \$2,500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

11. **Building Additions and Alterations.** The following additional coverage applies if the "residence premises" shown in the Declarations is a rented dwelling unit.

Under Coverage C, we insure the building improvements, or installations made or acquired at your expense to the part of the "residence premises" used exclusively by you. The limit of liability for this coverage will not be more than 10% of the Blanket Property Limit. This coverage is additional insurance.

12. **Refrigerated Property.** We insure, up to \$500, covered property stored in freezers or refrigerators on the "residence premises" for direct loss caused by:

1. Interruption of electrical service to the refrigeration unit. The interruption must be caused by damage to the generating or transmitting equipment; or
2. Mechanical failure of the unit storing the property.

Coverage will apply only if you have maintained the refrigeration unit in proper working condition immediately prior to the loss.

The Section I - Power Failure exclusion does not apply to this coverage.

The following deductible applies to a covered loss under Refrigerated Property:

We will pay only that part of the loss that exceeds \$100. The Section I deductible does not apply to this coverage.

13. **Lock Replacement Coverage.** If your house keys are lost or stolen and you notify us of this in writing within 72 hours of the discovery, we will pay 50 per cent, not to exceed \$500, of the cost to replace your house locks. The Section I deductible does not apply to this coverage.
14. **Ordinance or Law.**

If the "residence premises" shown in the Declarations is a rented dwelling unit the words 'covered building' used below refer to property covered under Additional Coverage 11. Building Additions and Alterations.

- a. You may use up to 10% of the Blanket Property Limit for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
- 1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a PERIL INSURED AGAINST;
 - 2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a PERIL INSURED AGAINST to another part of that covered building or other structure; or
 - 3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a PERIL INSURED AGAINST.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- c. We do not cover:
- 1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - 2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

SECTION I - PERILS INSURED AGAINST

COVERAGE A - DWELLING AND COVERAGE B -- OTHER STRUCTURES

We insure against risks of direct loss to property described in Coverages A and B only if that loss is a physical loss to property; however, we do not insure loss:

1. Involving collapse, other than as provided in Additional Coverage 8.;
2. Caused by:
 - a. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed unless you have used reasonable care to:
 - 1) Maintain heat in the building; or
 - 2) Shut off the water supply and drain the system and appliances of water;

- b. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - 1) Fence, pavement, patio or swimming pool;
 - 2) Foundation, retaining wall or bulkhead; or
 - 3) Pier, wharf or dock;
- c. Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- d. Vandalism and malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- e. Any of the following:
 - 1) Wear and tear, marring, deterioration;
 - 2) Inherent vice, latent defect, mechanical breakdown;
 - 3) Smog, rust or other corrosion, mold, wet or dry rot;
 - 4) Smoke from agricultural smudging or industrial operations;
 - 5) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this policy.
 Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
 - 6) Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
 - 7) Birds, vermin, rodents, or insects; or
 - 8) Animals owned or kept by an "insured."

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

3. Excluded under Section I - Exclusions.

Under items 1. and 2., any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

COVERAGE C – PERSONAL PROPERTY

We insure for direct physical loss to property described in Coverage C caused by a peril listed below unless the loss is excluded in SECTION I - EXCLUSIONS.

- 1. **Fire or lightning.**
- 2. **Windstorm or hail.**

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

- 3. **Explosion.**
- 4. **Riot or civil commotion.**
- 5. **Aircraft**, including self-propelled missiles and spacecraft.
- 6. **Vehicles.**

- 7. **Smoke**, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

- 8. **Vandalism or malicious mischief.**

9. **Theft**, including attempted theft and loss of property from a known location when it is likely that the property has been stolen.
This peril does not include loss caused by theft:
- Committed by an "insured";
 - In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
 - From that part of a "residence premises" rented by an "insured" to other than an "insured."
- This peril does not include loss caused by theft that occurs off the "residence premises" of:
- Property while at any other residence owned by, rented to, or occupied by an "insured," except while an insured is temporarily living there. Property of a student who is an "insured" is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
 - Watercraft, and their furnishing, equipment and outboard engines or motors; or
 - Trailers and campers.
10. **Falling objects.**
This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
11. **Weight of ice, snow or sleet** which causes damage to property contained in a building.
12. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
This peril does not include loss:
- To the system or appliance from which the water or steam escaped;
 - Caused by or resulting from freezing except as provided in the peril of freezing below; or
 - On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."
- In this peril, a plumbing system does not include a sump, sump pump or related equipment.
13. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.
We do not cover loss caused by or resulting from freezing under this peril.
14. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.
This peril does not include loss on the "residence premises" while the dwelling is unoccupied, unless you have used reasonable care to:
- Maintain heat in the building; or
 - Shut off the water supply and drain the system and appliances of water.
15. **Sudden and accidental damage from artificially generated electrical current.**
This peril does not include loss to a tube, transistor or similar electronic component.
16. **Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.

SECTION I - EXCLUSIONS

- We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.
 - Ordinance or Law**, meaning any ordinance or law:
 - Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion 1.a. does not apply to the amount of coverage that may be provided for under ADDITIONAL COVERAGES, Glass or Safety Glazing Material or Ordinance or Law;
 - The requirements of which result in a loss in value to property; or

- 3) Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion applies whether or not the property has been physically damaged.

- b. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:

- 1) Fire;
- 2) Explosion; or
- 3) Breakage of glass or safety glazing material which is part of a building, storm door or storm window;

ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

- c. **Water Damage**, meaning:

- 1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- 2) Water which backs up through sewers or drains or which overflows from a sump; or
- 3) Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire, explosion or theft resulting from water damage is covered.

- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.

- e. **Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

- f. **War**, including the following and any consequence of any of the following:

- 1) Undeclared war, civil war, insurrection, rebellion or revolution;
- 2) Warlike act by a military force or military personnel; or
- 3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

- g. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of SECTION I - CONDITIONS.

- h. **Intentional Loss**, meaning any loss arising out of any act committed:

- a. By or at the direction of an "insured"; and
- b. With the intent to cause a loss.

2. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

- a. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;

- b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;

- c. **Faulty, inadequate or defective**:

- 1) Planning, zoning, development, surveying, siting;
- 2) Design, specification, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- 3) Materials used in repair, construction, renovation or remodeling; or
- 4) Maintenance;

of part or all of any property whether on or off the "residence premises."

SECTION I - CONDITIONS

1. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
 - a. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
 - b. For more than the applicable limit of liability.
2. **Your Duties After Loss.** In case of a loss to covered property, you must see that the following are done:
 - a. Give prompt notice to us or our agent;
 - b. Notify the police in case of loss by theft;
 - c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
 - d. Protect the property from further damage. If repairs to the property are required, you must:
 - 1) Make reasonable and necessary repairs to protect the property; and
 - 2) Keep an accurate record of repair expenses;
 - e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
 - f. As often as we reasonably require:
 - 1) Show the damaged property;
 - 2) Provide us with records and documents we request and permit us to make copies; and
 - 3) Submit to examination under oath, while not in the presence of any other "insured," and sign the same.
 - g. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - 1) The time and cause of loss;
 - 2) The interest of the "insured" and all others in the property involved and all liens on the property;
 - 3) Other insurance which may cover the loss;
 - 4) Changes in title or occupancy of the property during the term of the policy;
 - 5) Specifications of damaged buildings and detailed repair estimates;
 - 6) The inventory of damaged personal property described in 2.e. above;
 - 7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - 8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.
3. **Loss Settlement. Covered property losses are settled as follows:**
 - a. **We will pay actual cash value for a covered loss to the following personal property. This means there may be a deduction for depreciation for property:**
 - 1) **Which by its inherent nature cannot be replaced.**
 - 2) **Not maintained in good or workable condition.**
 - 3) **Which at time of loss is either obsolete or useless to you.****However, our payment will not exceed the lesser of the:**
 - 1) **Amount necessary to repair or replace the damaged or lost property; or**
 - 2) **Blanket Property Limit or any special limit applying to the property.**
 - b. **We will pay the cost of repair or replacement for a covered loss to other property. This means there will be no deduction for depreciation.**

- 1) For personal property, our payment for loss will not exceed the least of the:
 - a) Blanket Property Limit applying to the property;
 - b) Special limit applying to the property;
 - c) Actual cost incurred to repair, restore or replace at time of loss; or
 - d) Replacement value at time of loss.
- 2) For other property, our payment for loss will not exceed the least of the:
 - a) Blanket Property Limit applying to the property;
 - b) Replacement cost of that part of the property damaged for equivalent construction and use on the same premises; or
 - c) Amount actually and necessarily spent to repair or replace the damaged property.
- c. The value of the property insured is not agreed upon but shall be determined at the time of loss.
- d. We will pay no more than the actual cash value of the damage unless:
 - 1) Actual repair or replacement is complete; or
 - 2) The cost to repair or replace the damage for the entire loss is less than:
 - a) \$1,000 under b.1) above; or
 - b) \$2,500 under b.2) above.
- e. You may make a claim for loss on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis within 180 days after the loss.

If the Scheduled Personal Property Endorsement is attached to this policy, Condition 2.c. of that endorsement is replaced by this Condition 3. Loss Settlement.

4. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between actual cash value of the property before and after the loss.
5. **Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
6. **Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.
Each party will:
 - a. Pay its own appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.
7. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the Blanket Property Limit that applies under this policy bears to the total amount of insurance covering the loss. However, if there is other insurance in the name of the condominium association covering the same property, this insurance shall be excess over the other insurance.
8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.
9. **Our Option.** If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.
10. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:
 - a. Reach an agreement with you;
 - b. There is an entry of a final judgment; or
 - c. There is a filing of an appraisal award with us.

11. **Abandonment of Property.** We need not accept any property abandoned by an "insured."

12. **Mortgage Clause.**

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

13. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

14. **Nuclear Hazard Clause.**

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against in Section I.
- c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

15. **Recovered Property.** If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

16. **Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

17. **Blanket Property Limit.** The Blanket Property Limit shown in the Declarations for each "insured location" is the most we will pay for a covered loss at that "insured location." This Blanket Property Limit applies in the aggregate for all coverages under this section. It includes these Additional coverages:

- a. Debris Removal;
- b. Reasonable Repairs;
- c. Property Removed; and
- d. Collapse.

The other Additional Coverages apply in addition to the Blanket Property Limit.

SECTION II - LIABILITY COVERAGES

COVERAGE E - PERSONAL LIABILITY

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" or because of "personal injury" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured"; and
 2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the "occurrence" equals our limit of liability.
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COVERAGE F - MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury." Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees." As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
 2. To a person off the "insured location," if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. Is caused by an animal owned by or in the care of an "insured."
-

SECTION II - EXCLUSIONS

1. **Coverage E - Personal Liability and Coverage F - Medical Payment to Others** do not apply to "bodily injury" or "property damage":
 - a. Which is expected or intended by the "insured";
 - b. Arising out of or in connection with a "business" engaged in by an "insured." This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business."
But this exclusion does not apply to the part-time "business" pursuits of insured minors;
 - c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of an "insured location":
 - 1) On an occasional basis if used only as a residence;
 - 2) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - 3) In part, as an office, school, studio or private garage;
 - d. Arising out of the rendering of or failure to render professional services;
 - e. Arising out of a premises:
 - 1) Owned by an "insured";
 - 2) Rented to an "insured"; or
 - 3) Rented to others by an "insured";that is not an "insured location";

- f. Arising out of:
- 1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";
 - 2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or
 - 3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph 1) or 2) above.

This exclusion does not apply to:

- 1) A trailer not towed by or carried on a motorized land conveyance.
 - 2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
 - a) Not owned by an "insured"; or
 - b) Owned by an "insured" and on an "insured location";
 - 3) A motorized golf cart when used to play golf on a golf course;
 - 4) A vehicle or conveyance not subject to motor vehicle registration which is:
 - a) Used to service an "insured's" residence;
 - b) Designed for assisting the handicapped; or
 - c) In dead storage on an "insured location";
- g. Arising out of:
- 1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
 - 2) The entrustment by an "insured" of an excluded watercraft described below to any person; or
 - 3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

- 1) That are not sailing vessels and are powered by:
 - a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
 - b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
 - c) One or more outboard engines or motors with 50 total horsepower or less;
 - d) One or more outboard engines or motors with more than 50 total horsepower if the outboard engine or motor is not owned by an "insured";
 - e) Outboard engines or motors of more than 50 total horsepower owned by an "insured" if:
 - i) You acquire them prior to the policy period; and
 - a) You declare them at policy inception; or
 - b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
 - ii) You acquire them during the policy period.
This coverage applies for the policy period.
- 2) That are sailing vessels, with or without auxiliary power:
 - a) Less than 26 feet in overall length;
 - b) 26 feet or more in overall length, not owned by or rented to an "insured."
- 3) That are stored;

- h. Arising out of:
 - 1) The ownership, maintenance, use, loading, or unloading of an aircraft;
 - 2) The entrustment by an "insured" of an aircraft to any person; or
 - 3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;

- i. Caused directly or indirectly by war, including the following and any consequence of any of the following:
 - 1) Undeclared war, civil war, insurrection, rebellion or revolution;
 - 2) Warlike act by a military force or military personnel; or
 - 3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

- j. Which arises out of the transmission of a communicable disease by an "insured";
- k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or
- l. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

Exclusions e., f., g., and h. do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured."

2. **Coverage E - Personal Liability**, does not apply to:

- a. Liability:
 - 1) For any loss assessment charged against you as a member of an association, corporation or community of property owners;
 - 2) Under any contract or agreement. However, this exclusion does not apply to written contracts:
 - a) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - b) Where the liability of others is assumed by the "insured" prior to an "occurrence";unless excluded in 1) above or elsewhere in this policy;
- b. "Property damage" to property owned by the "insured";
- c. "Property damage" to property rented to, occupied or used by or in the care of the "insured." This exclusion does not apply to "property damage" caused by fire, smoke or explosion;
- d. "Bodily injury" to any person eligible to receive any benefits:
 - 1) Voluntarily provided; or
 - 2) Required to be provided;by the "insured" under any:
 - 1) Workers compensation law;
 - 2) Nonoccupational disability law; or
 - 3) Occupational disease law;
- e. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - 1) Is also an insured under a nuclear energy liability policy; or
 - 2) Would be an insured under that policy but for the exhaustion of its limit of liability.A nuclear energy liability policy is one issued by:
 - 1) American Nuclear Insurers;
 - 2) Mutual Atomic Energy Liability Underwriters;
 - 3) Nuclear Insurance Association of Canada;or any of their successors; or

- f. "Bodily injury" to you or an "insured" within the meaning of part a. or b. of "insured" as defined;
- g. "Personal injury" arising from:
 - 1) Liability assumed by the "insured" under any contract or agreement except any indemnity obligation assumed by the "insured" under a written contract directly relating to the ownership, maintenance or use of the premises;
 - 2) Injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of an "insured";
 - 3) Injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by the "insured";
 - 4) Injury arising out of or in connection with a "business" engaged in by an "insured." This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business";
 - 5) Civic or public activities performed for pay by an "insured"; or
 - 6) Injury to you or an "insured" within the meaning of part a. or b. of "insured" as defined.
- 3. **Coverage F - Medical Payments to Others**, does not apply to "bodily injury":
 - a. To a "residence employee" if the "bodily injury":
 - 1) Occurs off the "insured location"; and
 - 2) Does not arise out of or in the course of the "residence employee's" employment by an "insured";
 - b. To any person eligible to receive benefits:
 - 1) Voluntarily provided; or
 - 2) Required to be provided;under any:
 - 1) Workers compensation law;
 - 2) Nonoccupational disability law; or
 - 3) Occupational disease law;
 - c. From any:
 - 1) Nuclear reaction;
 - 2) Nuclear radiation; or
 - 3) Radioactive contamination;all whether controlled or uncontrolled or however caused; or
 - 4) Any consequence of any of these; or
 - d. To any person other than a "residence employee" of an "insured," regularly residing on any part of the "insured location."

SECTION II – ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

- 1. **Claim Expenses.** We pay:
 - a. Expenses we incur and costs taxed against an "insured" in any suit we defend;
 - b. Premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. We need not apply for or furnish any bond;
 - c. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income), up to \$50 per day, for assisting us in the investigation or defense of a claim or suit; and
 - d. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to you or any other "insured."
3. **Damage to Property of Others.** We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured."

We will not pay for "property damage":

- a. To the extent of any amount recoverable under Section I of this policy;
- b. Caused intentionally by an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
- e. Arising out of:
 - 1) A "business" engaged in by an "insured";
 - 2) Any act or omission in connection with a premises owned, rented or controlled by an "insured," other than the "insured location"; or
 - 3) The ownership, maintenance or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an "insured."

4. **Loss Assessment.** We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - 1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
 - 2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

1. Section II - Coverage E - Personal Liability Exclusion 2.a.1);
2. Condition 1. Policy Period, under SECTION I AND II - CONDITIONS.

SECTION II - CONDITIONS

1. **Limit of Liability.** Our total liability under Coverage E - Personal Liability for all damages resulting from any one "occurrence" will not be more than the limit of liability for Personal Liability as shown in the Declarations. This limit is the same regardless of the number of "insureds," claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence."

Our total liability under Coverage F - Medical Payments to Others for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the limit of liability for Medical Payments to Others as shown in the Declarations.

2. **Severability of Insurance.** This insurance applies separately to each "insured." This condition will not increase our limit of liability for any one "occurrence."
 3. **Duties After Loss.** In case of an accident or "occurrence," the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:
 - a. Give written notice to us or our agent as soon as is practical, which sets forth:
 - 1) The identity of the policy and "insured";
 - 2) Reasonably available information on the time, place and circumstances of the accident or "occurrence"; and
 - 3) Names and addresses of any claimants and witnesses;
 - b. Promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence";
 - c. At our request, help us:
 - 1) To make settlement;
 - 2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - 3) With the conduct of suits and attend hearings and trials; and
 - 4) To secure and give evidence and obtain the attendance of witnesses;
 - d. Under the coverage - Damage to Property of Others - submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the "insured's" control;
 - e. The "insured" will not, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury."
 4. **Duties of an Injured Person - Coverage F - Medical Payments to Others.**

The injured person or someone acting for the injured person will:

 - a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.

The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.
 5. **Payment of Claim - Coverage F - Medical Payment to Others.** Payment under this coverage is not an admission of liability by an "insured" or us.
 6. **Suit Against Us.** No action can be brought against us unless there has been compliance with the policy provisions.

No one will have the right to join us as a party to any action against an "insured." Also, no action with respect to Coverage E can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.
 7. **Bankruptcy of an Insured.** Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.
 8. **Other Insurance - Coverage E - Personal Liability.** This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.
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SECTION I AND II - CONDITIONS

1. **Policy Period.** Sections I and II apply only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.
2. **Concealment or Fraud.** We do not provide coverage if, whether before or after a loss, an "insured" has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements;relating to this insurance.
3. **Subrogation.** An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

SECTION III - PERSONAL AUTO COVERAGE

DEFINITIONS

Throughout this Section, "you" and "your" refer to:

1. The "named insured" shown in the Declarations; and
2. The spouse if a resident of the same household.

If the spouse ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse will be considered "you" and "your" under this policy but only until the earlier of:

1. The end of 90 days following the spouse's change of residency;
2. The effective date of another policy listing the spouse as a named insured; or
3. The end of the policy period.

"We", "us" and "our" refer to the Company providing this insurance.

For purpose of this Section, a private passenger type auto, pickup or van shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and
2. For a continuous period of at least 6 months.

The following words and phrases are defined as used in this Section. They are in quotation marks when used.

"Bodily injury" means bodily harm, sickness or disease, including death that results.

"Business" includes trade, profession or occupation.

"Family member" means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.

"Occupying" means in, upon, getting in, on, out or off.

"Property damage" means physical injury to, destruction of or loss of use of tangible property.

"Trailer" means a vehicle designed to be pulled by a:

1. Private passenger auto; or
2. Pickup or van.

It also means a farm wagon or farm implement while towed by a vehicle listed in 1. or 2. above.

"Your covered auto" means:

1. Any vehicle shown in the Declarations.
2. A "newly acquired auto".
3. Any "trailer" you own.
4. Any auto or "trailer" you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. Loss; or
 - e. Destruction.

This provision (4.) does not apply to Coverage for Damage to Your Auto.

"Newly acquired auto":

1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:
 - a. A private passenger auto; or

- b. A pickup or van, for which no other insurance policy provides coverage, that:
 - (1) Has a Gross Vehicle Weight of less than 10,000 lbs.; and
 - (2) Is not used for the delivery or transportation of goods and materials unless such use is:
 - (a) Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or
 - (b) For farming or ranching.
- 2. Coverage for a "newly acquired auto" is provided as described below. If you ask us to insure a "newly acquired auto" after a specified time period described below has elapsed, any coverage we provide for a "newly acquired auto" will begin at the time you request the coverage.
 - a. For any coverage provided in this policy except Coverage For Damage To Your Auto, a "newly acquired auto" will have the broadest coverage we now provide for any vehicle shown in the Declarations. Coverage begins on the date you become the owner. However, for this coverage to apply to a "newly acquired auto" which is in addition to any vehicle shown in the Declarations, you must ask us to insure it within 14 days after you become the owner.

If a "newly acquired auto" replaces a vehicle shown in the Declarations, coverage is provided for this vehicle without your having to ask us to insure it.
 - b. Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:
 - (1) 14 days after you become the owner if the Declarations indicate that Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
 - (2) Four days after you become the owner if the Declarations do not indicate that Collision Coverage applies to at least one auto. If you comply with the 4 day requirement and a loss occurred before you asked us to insure the "newly acquired auto", a Collision deductible of \$500 will apply.
 - c. Other Than Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:
 - (1) 14 days after you become the owner if the Declarations indicate that Other Than Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
 - (2) Four days after you become the owner if the Declarations do not indicate that Other Than Collision Coverage applies to at least one auto. If you comply with the 4 day requirement and a loss occurred before you asked us to insure the "newly acquired auto", an Other Than Collision deductible of \$500 will apply.

SECTION III - PART A - LIABILITY COVERAGE

INSURING AGREEMENT

- A. We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the "insured." We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payments of judgments or settlements. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.
- B. "Insured" as used in this Part means:
 - 1. You or any "family member" for the ownership, maintenance or use of any auto or "trailer."
 - 2. Any person using "your covered auto."
 - 3. For "your covered auto," any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.
 - 4. For any auto or "trailer," other than "your covered auto," any other person or organization but only with respect to legal responsibility for acts or omissions of you or any "family member" for

whom coverage is afforded under this Part. This provision (B.4.) applies only if the person or organization does not own or hire the auto or "trailer."

SUPPLEMENTARY PAYMENTS

In addition to our limit of liability, we will pay on behalf of an "insured":

1. Up to \$250 for the cost of bail bonds required because of an accident, including related traffic law violations. The accident must result in "bodily injury" or "property damage" covered under this policy.
 2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.
 3. Interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.
 4. Up to \$200 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
 5. Other reasonable expenses incurred at our request.
-

EXCLUSIONS

A. We do not provide Liability Coverage for any "insured":

1. Who intentionally causes "bodily injury" or "property damage."
2. For "property damage" to property owned or being transported by that "insured."
3. For "property damage" to property:
 - a. Rented to;
 - b. Used by; or
 - c. In the care of;that "insured."

This exclusion (A.3.) does not apply to "property damage" to a residence or private garage.

4. For "bodily injury" to an employee of that "insured" during the course of employment. This exclusion (A.4.) does not apply to "bodily injury" to a domestic employee unless workers compensation benefits are required or available for that domestic employee.
5. For that "insured's" liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This exclusion (A.5.) does not apply to a share-the-expense car pool.
6. While employed or otherwise engaged in the "business" of:
 - a. Selling;
 - b. Repairing;
 - c. Servicing;
 - d. Storing; or
 - e. Parking;

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion (A.6.) does not apply to the ownership, maintenance or use of "your covered auto" by:

- a. You;
- b. Any "family member"; or
- c. Any partner, agent or employee of you or any "family member."
7. Maintaining or using any vehicle while that "insured" is employed or otherwise engaged in any "business" (other than farming or ranching) not described in exclusion A.6.

This exclusion (A.7.) does not apply to the maintenance or use of a:

- a. Private passenger auto;
- b. Pickup or van; or
- c. "Trailer" used with a vehicle described in a. or b. above.
8. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (A.8.) does not apply to a "family member" using "your covered auto" which is owned by you.
9. For "bodily injury" or "property damage" for which that "insured":
 - a. Is an insured under a nuclear energy liability policy; or

- b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

- a. Nuclear Energy Liability Insurance Association;
- b. Mutual Atomic Energy Liability Underwriters; or
- c. Nuclear Insurance Association of Canada.

B. We do not provide Liability Coverage for the ownership, maintenance or use of:

1. Any vehicle which:
 - a. Has fewer than four wheels; or
 - b. Is designed mainly for use off public roads.

This exclusion (B.1.) does not apply:

- a. While such vehicle is being used by an "insured" in a medical emergency;
 - b. To any "trailer"; or
 - c. To any non-owned golf cart.
2. Any vehicle, other than "your covered auto," which is:
 - a. Owned by you; or
 - b. Furnished or available for your regular use.
 3. Any vehicle, other than "your covered auto," which is:
 - a. Owned by any "family member"; or
 - b. Furnished or available for the regular use of any "family member."

However, this exclusion (B.3.) does not apply to you while you are maintaining or "occupying" any vehicle which is:

- a. Owned by any "family member"; or
 - b. Furnished or available for the regular use of a "family member."
4. Any vehicle, located inside a facility designed for racing, for the purpose of:
 - a. Competing in; or
 - b. Practicing or preparing for;any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

A. The limit of liability shown in the Declarations for each person for Bodily Injury Liability is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Bodily Injury Liability is our maximum limit of liability for all damages for "bodily injury" resulting from any one auto accident.

The limit of liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all "property damage" resulting from any one auto accident.

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

1. "Insureds";
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the auto accident.

B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:

1. Part **B** or Part **C** of this policy; or
2. Any Underinsured Motorists Coverage provided by this policy.

OUT OF STATE COVERAGE

If an auto accident to which this policy applies occurs in any state or province other than the one in which "your covered auto" is principally garaged, we will interpret your policy for that accident as follows:

- A.** If the state or province has:
1. A financial responsibility or similar law specifying limits of liability for "bodily injury" or "property damage" higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
 2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.
- B.** No one will be entitled to duplicate payments for the same elements of loss.
-

FINANCIAL RESPONSIBILITY

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required.

OTHER INSURANCE

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

SECTION III - PART B - MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

- A.** We will pay reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":
1. Caused by accident; and
 2. Sustained by an "insured."
- We will pay only those expenses incurred for services rendered within 3 years from the date of the accident.
- B.** "Insured" as used in this Part means:
1. You or any "family member":
 - a. While "occupying"; or
 - b. As a pedestrian when struck by;
a motor vehicle designed for use mainly on public roads or a trailer of any type.
 2. Any other person while "occupying" "your covered auto."
-

EXCLUSIONS

We do not provide Medical Payments Coverage for any "insured" for "bodily injury":

1. Sustained while "occupying" any motorized vehicle having fewer than four wheels.
2. Sustained while "occupying" "your covered auto" when it is being used as a public or livery conveyance. This exclusion (2.) does not apply to a share-the-expense car pool.
3. Sustained while "occupying" any vehicle located for use as a residence or premises.
4. Occurring during the course of employment if workers compensation benefits are required or available for the "bodily injury."
5. Sustained while "occupying," or when struck by, any vehicle (other than "your covered auto") which is:
 - a. Owned by you; or

- b. Furnished or available for your regular use.
 - 6. Sustained while "occupying," or when struck by, any vehicle (other than "your covered auto") which is:
 - a. Owned by any "family member"; or
 - b. Furnished or available for the regular use of any "family member."However, this exclusion (6.) does not apply to you.
 - 7. Sustained while "occupying" a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (7.) does not apply to a "family member" using "your covered auto" which is owned by you.
 - 8. Sustained while "occupying" a vehicle when it is being used in the "business" of an "insured." This exclusion (8.) does not apply to "bodily injury" sustained while "occupying" a:
 - a. Private passenger auto;
 - b. Pickup or van that you own; or
 - c. "Trailer" used with a vehicle described in a. or b. above.
 - 9. Caused by or as a consequence of:
 - a. Discharge of a nuclear weapon (even if accidental);
 - b. War (declared or undeclared);
 - c. Civil war;
 - d. Insurrection; or
 - e. Rebellion or revolution.
 - 10. From or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - a. Nuclear reaction;
 - b. Radiation; or
 - c. Radioactive contamination.
 - 11. Sustained while "occupying" any vehicle located inside a facility designed for racing, for the purpose of:
 - a. Competing in; or
 - b. Practicing or preparing for;any prearranged or organized racing or speed contest.
-

LIMIT OF LIABILITY

- A.** The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:
 - 1. "Insureds";
 - 2. Claims made;
 - 3. Vehicles or premiums shown in the Declarations; or
 - 4. Vehicles involved in the accident.
 - B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
 - 1. Part **A** or Part **C** of this policy; or
 - 2. Any Underinsured Motorists Coverage provided by this policy.
-

OTHER INSURANCE

If there is other applicable auto medical payments insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

SECTION III - PART C - UNINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

A. We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of "bodily injury":

1. Sustained by an "insured"; and
2. Caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle."

Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

B. "Insured" as used in this Part means:

1. You or any "family member."
2. Any other person "occupying" "your covered auto."
3. Any person for damages that person is entitled to recover because of "bodily injury" to which this coverage applies sustained by a person described in **1.** or **2.** above.

C. "Uninsured motor vehicle" means a land motor vehicle or trailer of any type:

1. To which no bodily injury liability bond or policy applies at the time of the accident.
2. To which a bodily injury liability bond or policy applies at the time of the accident. In this case its limit for bodily injury liability must be less than the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged.
3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits:
 - a. You or any "family member";
 - b. A vehicle which you or any "family member" are "occupying"; or
 - c. "Your covered auto."
4. To which a bodily injury liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - a. Denies coverage; or
 - b. Is or becomes insolvent.

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

1. Owned by or furnished or available for the regular use of you or any "family member."
2. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
3. Owned by any governmental unit or agency.
4. Operated on rails or crawler treads.
5. Designed mainly for use off public roads while not on public roads.
6. While located for use as a residence or premises.

EXCLUSIONS

A. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained:

1. By an "insured" while "occupying," or when struck by, any motor vehicle owned by that "insured" which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
2. By any "family member" while "occupying," or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.

B. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":

1. If that "insured" or the legal representative settles the "bodily injury" claim without our consent.

2. While "occupying" "your covered auto" when it is being used as a public or livery conveyance. This exclusion (B.2.) does not apply to a share-the-expense car pool.
 3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (B.3.) does not apply to a "family member" using "your covered auto" which is owned by you.
- C.** This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:
1. Workers compensation law; or
 2. Disability benefits law.
- D.** We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.
-

LIMIT OF LIABILITY

- A.** The limit of liability shown in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.

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

1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
1. Part **A** or Part **B** of this policy; or
 2. Any Underinsured Motorists Coverage provided by this policy.
- C.** We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.
- D.** We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:
1. Workers compensation law; or
 2. Disability benefits law.
-

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided under this Part of the policy:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.
 2. Any insurance we provide with respect to a vehicle you do not own shall be excess over any collectible insurance providing coverage on a primary basis.
 3. If the coverage under this policy is provided:
 - a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.
 - b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.
-

ARBITRATION

- A.** If we and an "insured" do not agree:
1. Whether that "insured" is legally entitled to recover damages; or

2. As to the amount of damages which are recoverable by that "insured"; from the owner or operator of an "uninsured motor vehicle," then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.

Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

B. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

C. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding as to:

1. Whether the "insured" is legally entitled to recover damages; and
2. The amount of damages. This applies only if the amount does not exceed the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

SECTION III - PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

A. We will pay for direct and accidental loss to "your covered auto" or any "non-owned auto," including their equipment, minus any applicable deductible shown in the Declarations. If loss to more than one "your covered auto" or "non-owned auto" results from the same "collision," only the highest applicable deductible will apply. We will pay for loss to "your covered auto" caused by:

1. Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
2. "Collision" only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a "non-owned auto," we will provide the broadest coverage applicable to any "your covered auto" shown in the Declarations.

B. "Collision" means the upset of "your covered auto" or a "non-owned auto" or their impact with another vehicle or object.

Loss caused by the following is considered other than "collision":

1. Missiles or falling objects;
2. Fire;
3. Theft or larceny;
4. Explosion or earthquake;
5. Windstorm;
6. Hail, water or flood;
7. Malicious mischief or vandalism;
8. Riot or civil commotion;
9. Contact with bird or animal; or
10. Breakage of glass.

If breakage of glass is caused by a "collision," you may elect to have it considered a loss caused by "collision."

C. "Non-owned auto" means:

1. Any private passenger auto, pickup, van or "trailer" not owned by or furnished or available for the regular use of you or any "family member" while in the custody of or being operated by you or any "family member"; or

2. Any auto or "trailer" you do not own while used as a temporary substitute for "your covered auto" which is out of normal use because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing,
 - d. Loss; or
 - e. Destruction.
-

TRANSPORTATION EXPENSES

- A.** In addition, we will pay, without application of a deductible, up to a maximum of \$600 for:
1. Temporary transportation expenses not exceeding \$20 per day incurred by you in the event of a loss to "your covered auto". We will pay for such expenses if the loss is caused by:
 - a. Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
 - b. "Collision" only if the Declarations indicate that Collision Coverage is provided for that auto.
 2. Expenses for which you become legally responsible in the event of loss to a "non-owned auto". We will pay for such expenses if the loss is caused by:
 - a. Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for any "your covered auto".
 - b. "Collision" only if the Declarations indicate that Collision Coverage is provided for any "your covered auto".
- However, the most we will pay for any expenses for loss of use is \$20 per day.
- B.** If the loss is caused by:
1. A total theft of "your covered auto" or a "non-owned auto", we will pay only expenses incurred during the period:
 - a. Beginning 48 hours after the theft; and
 - b. Ending when "your covered auto" or the "non-owned auto" is returned to use or we pay for its loss.
 2. Other than theft of a "your covered auto" or a "non-owned auto", we will pay only expenses beginning when the auto is withdrawn from use for more than 24 hours.
- C.** Our payment will be limited to that period of time reasonably required to repair or replace the "your covered auto" or the "non-owned auto".
-

EXCLUSIONS

We will not pay for:

1. Loss to "your covered auto" or any "non-owned auto" which occurs while it is being used as a public or livery conveyance. This Exclusion (1.) does not apply to a share-the-expense car pool.
2. Damage due and confined to:
 - a. Wear and tear;
 - b. Freezing;
 - c. Mechanical or electrical breakdown or failure; or
 - d. Road damage to tires.

This Exclusion (2.) does not apply if the damage results from the total theft of "your covered auto" or any "non-owned auto".
3. Loss due to or as a consequence of:
 - a. Radioactive contamination;
 - b. Discharge of any nuclear weapon (even if accidental);
 - c. War (declared or undeclared);
 - d. Civil war;
 - e. Insurrection; or
 - f. Rebellion or revolution.
4. Loss to any electronic equipment designed for the reproduction of sound and any accessories used with such equipment. This includes but is not limited to:

- a. Radios and stereos;
- b. Tape decks; or
- c. Compact disc players.

This Exclusion (4.) does not apply to equipment designed solely for the reproduction of sound and accessories used with such equipment, provided:

- a. The equipment is permanently installed in "your covered auto" or any "non-owned auto"; or
- b. The equipment is:

- (1) Removable from a housing unit which is permanently installed in the auto;
- (2) Designed to be solely operated by use of the power from the auto's electrical system; and
- (3) In or upon "your covered auto" or any "non-owned auto" at the time of loss.

5. Loss to any electronic equipment that receives or transmits audio, visual or data signals and any accessories used with such equipment. This includes but is not limited to:

- a. Citizens band radios;
- b. Telephones;
- c. Two-way mobile radios;
- d. Scanning monitor receivers;
- e. Television monitor receivers;
- f. Video cassette recorders;
- g. Audio cassette recorders; or
- h. Personal computers.

This Exclusion (5.) does not apply to:

- a. Any electronic equipment that is necessary for the normal operation of the auto or the monitoring of the auto's operating systems; or
- b. A permanently installed telephone designed to be operated by use of the power from the auto's electrical system and any accessories used with the telephone.

6. Loss to tapes, records, discs or other media used with equipment described in Exclusions 4. and 5.

7. A total loss to "your covered auto" or any "non-owned auto" due to destruction or confiscation by governmental or civil authorities.

This Exclusion (7.) does not apply to the interests of Loss Payees in "your covered auto".

8. Loss to:

- a. A "trailer", camper body, or motor home, which is not shown in the Declarations; or
- b. Facilities or equipment used with such "trailer", camper body or motor home. Facilities or equipment include but are not limited to:
 - (1) Cooking, dining, plumbing or refrigeration facilities;
 - (2) Awnings or cabanas; or
 - (3) Any other facilities or equipment used with a "trailer", camper body, or motor home.

This Exclusion (8.) does not apply to a:

- a. "Trailer", and its facilities or equipment, which you do not own; or
- b. "Trailer", camper body, or the facilities or equipment in or attached to the "trailer" or camper body, which you:
 - (1) Acquire during the policy period; and
 - (2) Ask us to insure within 14 days after you become the owner.

9. Loss to any "non-owned auto" when used by you or any "family member" without a reasonable belief that you or that "family member" are entitled to do so.

10. Loss to equipment designed or used for the detection or location of radar or laser.

11. Loss to any custom furnishings or equipment in or upon any pickup or van. Custom furnishings or equipment include but are not limited to:

- a. Special carpeting or insulation;
- b. Furniture or bars;
- c. Height-extending roofs; or

d. Custom murals, paintings or other decals or graphics.

This Exclusion (11.) does not apply to a cap, cover or bedliner in or upon any "your covered auto" which is a pickup.

12. Loss to any "non-owned auto" being maintained or used by any person while employed or otherwise engaged in the "business" of:
- a. Selling;
 - b. Repairing;
 - c. Servicing;
 - d. Storing, or
 - e. Parking;
- vehicles designed for use on public highways. This includes road testing and delivery.
13. Loss to "your covered auto" or any "non-owned auto", located inside a facility designed for racing, for the purpose of:
- a. Competing in; or
 - b. Practicing or preparing for;
- any prearranged or organized racing or speed contest.
14. Loss to, or loss of use of, a "non-owned auto" rented by:
- a. You; or
 - b. Any "family member";
- if a rental vehicle company is precluded from recovering such loss or loss of use, from you or that "family member", pursuant to the provisions of any applicable rental agreement or state law.
-

LIMIT OF LIABILITY

- A.** Our limit of liability for loss will be the lesser of the:
- 1. Actual cash value of the stolen or damaged property; or
 - 2. Amount necessary to repair or replace the property with other property of like kind and quality.
- However, the most we will pay for loss to:
- 1. Any "non-owned auto" which is a trailer is \$500.
 - 2. Equipment designed solely for the reproduction of sound, including any accessories used with such equipment, which is installed in locations not used by the auto manufacturer for installation of such equipment or accessories, is \$1,000.
- B.** An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss.
- C.** If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.
-

PAYMENT OF LOSS

We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

- 1. You; or
- 2. The address shown in this policy.

If we return stolen property, we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property.

NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we

provide with respect to a "non-owned auto" shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the "non-owned auto";
 2. Any other applicable physical damage insurance;
 3. Any other source of recovery applicable to the loss.
-

APPRAISAL

- A.** If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
1. Pay its chosen appraiser; and
 2. Bear the expenses of the appraisal and umpire equally.
- B.** We do not waive any of our rights under this policy by agreeing to an appraisal.
-

SECTION III - PART E - DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- A.** We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- B.** A person seeking any coverage must:
1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
 2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
 3. Submit, as often as we reasonably require:
 - a. To physical exams by physicians we select. We will pay for these exams.
 - b. To examination under oath and subscribe the same.
 4. Authorize us to obtain:
 - a. Medical reports; and
 - b. Other pertinent records.
 5. Submit a proof of loss when required by us.
- C.** A person seeking Uninsured Motorists Coverage must also:
1. Promptly notify the police if a hit-and-run driver is involved.
 2. Promptly send us copies of the legal papers if a suit is brought.
- D.** A person seeking Coverage for Damage to Your Auto must also:
1. Take reasonable steps after loss to protect "your covered auto" or any "non-owned auto" and their equipment from further loss. We will pay reasonable expenses incurred to do this.
 2. Promptly notify the police if "your covered auto" or any "non-owned auto" is stolen.
 3. Permit us to inspect and appraise the damaged property before its repair or disposal
-

SECTION III - PART F - OTHER PROVISIONS

Bankruptcy

Bankruptcy or insolvency of the "insured" shall not relieve us of any obligations under this policy.

Changes

- A.** This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.
- B.** If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:
 - 1. The number, type or use classification of insured vehicles;
 - 2. Operators using insured vehicles;
 - 3. The place of principal garaging of insured vehicles;
 - 4. Coverage, deductible or limits.

If a change resulting from A. or B. requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.

- C.** If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph (C.) does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
 - 1. A subsequent edition of your policy; or
 - 2. An Amendatory Endorsement.

Fraud

We do not provide coverage for any "insured" who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy.

Legal Action Against Us

- A.** No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Part A, no legal action may be brought against us until:
 - 1. We agree in writing that the "insured" has an obligation to pay; or
 - 2. The amount of that obligation has been finally determined by judgment after trial.
- B.** No person or organization has any right under this policy to bring us into any action to determine the liability of an "insured."

Our Right To Recover Payment

- A.** If we make a payment under this Section and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:
 - 1. Whatever is necessary to enable us to exercise our rights; and
 - 2. Nothing after loss to prejudice them.However, our rights in this paragraph (A.) do not apply under Part D, against any person using "your covered auto" with a reasonable belief that that person is entitled to do so.
- B.** If we make a payment under this Section and the person to or for whom payment is made recovers damages from another, that person shall:
 - 1. Hold in trust for us the proceeds of the recovery; and
 - 2. Reimburse us to the extent of our payment.

Policy Period and Territory

- A.** This Section applies only to accidents and losses which occur:
 - 1. During the policy period as shown in the Declarations; and
 - 2. Within the policy territory.
- B.** The policy territory for this Section is:
 - 1. The United States of America, its territories or possessions;
 - 2. Puerto Rico; or
 - 3. Canada.

Section III of the policy also applies to loss to, or accidents involving, "your covered auto" while being transported between their ports.

Two or More Auto Policies

If this Section and any other auto insurance policy issued to you by us apply to the same accident, the maximum limit of our liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

ENDORSEMENTS INCLUDED IN SECTION III

PP 03 05 (Ed. 08 86) LOSS PAYABLE CLAUSE

Loss or damage under this policy shall be paid, as interest may appear, to you and the loss payee shown in the Declarations. This insurance, with respect to the interest of the loss payee, shall not become invalid because of your fraudulent acts or omissions unless the loss results from your conversion, secretion or embezzlement of "your covered auto." However, we reserve the right to cancel the policy as permitted by policy terms and the cancellation shall terminate this agreement as to the loss payee's interest. We will give the same advance notice of cancellation to the loss payee as we give to the named insured shown in the Declarations.

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

PP 03 03 (Ed. 04 86) TOWING AND LABOR COSTS COVERAGE

If a premium and limit of liability is shown in the Declarations for this coverage, we will pay towing and labor costs incurred each time "your covered auto" or any "non-owned auto" is disabled, up to the amount shown in the Declarations as applicable to that vehicle. If a "non-owned auto" is disabled, we will provide the broadest towing and labor costs coverage applicable to any "your covered auto" shown in the Declarations. We will only pay for labor performed at the place of disablement.

SECTION IV - GENERAL POLICY CONDITIONS

CHANGES

- A.** This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. Our request for an appraisal or examination shall not waive any of our rights.
- B.** If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:
 - 1. The number, type or use classification of insured vehicles;
 - 2. Operators using insured vehicles;
 - 3. The place of principal garaging of insured vehicles;
 - 4. Coverage, deductible or limits.If a change resulting from A. or B. requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.
- C.** If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph (C.) does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
 - 1. A subsequent edition of your policy; or
 - 2. An Amendatory Endorsement.

PREMIUM

The premium stated in the Declarations is the initial premium for this policy. On each renewal, continuation or anniversary of the effective date of this policy the premium shall be computed by us in accordance with our manuals then in use.

TERMINATION

Cancellation

- A.** You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.
- B.** We may cancel this policy only for the reasons stated below by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. The effective date of cancellation stated in the notice shall become the end of the policy period.

Proof of mailing shall be sufficient proof of notice.

- 1. When you or your lender if named as a payor on this policy have not paid the premium, whether payable to us or to our agent or under any finance or credit plan, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.
- 2. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying you at least 20 days before the date cancellation takes effect.
- 3. When this policy has been in effect for 60 days or more or at any time if it is a renewal with us, we will cancel only:
 - a. For nonpayment of premium; or
 - b. If the policy was obtained through material misrepresentation of fact. In this case (3.b.) we will give you notice at least 30 days before the date cancellation takes effect.
- C.** If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

Nonrenewal

We may elect not to renew this policy. We may do so by delivery to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy.

Proof of mailing shall be sufficient proof of notice.

Automatic Termination

If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current period. Failure to pay the required renewal or continuation premium by either you or your lender when due shall mean that you have not accepted our offer.

If you obtain other insurance on "your covered auto," any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance.

D. Other Termination Provisions

- 1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
 - 2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.
 - 3. The effective date of cancellation stated in the notice shall become the end of the policy period.
-

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A.** Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
 - 1. The surviving spouse if a resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; and

2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use "your covered auto".

B. Coverage will only be provided until the end of the policy period.

DEDUCTIBLES

If loss or damage arising out of one occurrence involves more than one section of this policy and if the loss or damage under each section exceeds the deductible for that section, only one deduction will be taken. This shall be the highest deductible amount that applies.

**Package Plus
AUTO CHANGES TO YOUR POLICY - ARKANSAS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SECTION III - PERSONAL AUTO COVERAGE

I. DEFINITIONS

The **Definitions** Section is amended as follows:

A. Throughout the policy, "minimum limits" refers to the following limits of liability as required by Arkansas law, to be provided under a policy of automobile liability insurance:

1. \$25,000 for each person, subject to \$50,000 for each accident, with respect to "bodily injury"; and
2. \$25,000 for each accident with respect to "property damage".

B. The definition of "newly acquired auto" is replaced by the following:

"Newly acquired auto":

1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:

- a. A private passenger auto; or
- b. A pickup or van, for which no other insurance policy provides coverage, that:

(1) Has a Gross Vehicle Weight of less than 10,000 lbs.; and

(2) Is not used for the delivery or transportation of goods and materials unless such use is:

(a) Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or

(b) For farming or ranching.

2. Coverage for a "newly acquired auto" is provided as described below. If you ask us to insure a "newly acquired auto" after a specified time period described below has elapsed, any coverage we provide for a "newly acquired auto" will begin at the time you request the coverage.

a. For any coverage provided in this policy except Coverage For Damage To Your Auto, a "newly acquired auto" will have the broadest coverage we now provide

for any vehicle shown in the Declarations. Coverage begins on the date you become the owner. However, for this coverage to apply to a "newly acquired auto" which is in addition to any vehicle shown in the Declarations, you must ask us to insure it within 20 days after you become the owner.

If a "newly acquired auto" replaces a vehicle shown in the Declarations, coverage is provided for this vehicle without your having to ask us to insure it.

b. Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:

(1) 20 days after you become the owner if the Declarations indicate that Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.

(2) Four days after you become the owner if the Declarations do not indicate that Collision Coverage applies to at least one auto. If you comply with the 4 day requirement and a loss occurred before you asked us to insure the "newly acquired auto", a Collision deductible of \$500 will apply.

c. Other Than Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:

(1) 20 days after you become the owner if the Declarations indicate that Other Than Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage

AUTO CHANGES TO YOUR POLICY - ARKANSAS

we now provide for any auto shown in the Declarations.

- (2) Four days after you become the owner if the Declarations do not indicate that Other Than Collision Coverage applies to at least one auto. If you comply with the 4 day requirement and a loss occurred before you asked us to insure the "newly acquired auto", an Other Than Collision deductible of \$500 will apply.

II. PART A - LIABILITY COVERAGE

Part A is amended as follows:

- A. The **Other Insurance** Provision is replaced by the following:

OTHER INSURANCE

If there is other applicable liability insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. Any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance. However, we will provide primary insurance for a vehicle you do not own if:

1. A duly licensed automobile dealer provides a vehicle to you or a "family member":
 - a. For use as a temporary substitute while "your covered auto" is out of normal use because of its breakdown, repair or servicing; or
 - b. To demonstrate the vehicle; or
2. The vehicle is rented or leased by you or any "family member" from a rental company for a period not more than 90 days.

III. PART B - MEDICAL PAYMENTS COVERAGE

Part B is amended as follows:

- A. The **Other Insurance** Provision is replaced by the following:

OTHER INSURANCE

If there is other applicable auto medical payments insurance we will pay only our share of the loss. Our share is the pro-

portion that our limit of liability bears to the total of all applicable limits. Any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses. However, we will provide primary insurance for a vehicle you do not own if:

1. A duly licensed automobile dealer provides a vehicle to you or a "family member":
 - a. For use as a temporary substitute while "your covered auto" is out of normal use because of its breakdown, repair or servicing; or
 - b. To demonstrate the vehicle; or
2. The vehicle is rented or leased by you or a "family member" from a rental company for a period not more than 90 days.

IV. PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

Part D is amended as follows:

- A. Exclusion 8. is replaced by the following:

We will not pay for:

8. Loss to:
 - a. A "trailer", camper body, or motor home, which is not shown in the Declarations; or
 - b. Facilities or equipment used with such "trailer", camper body or motor home. Facilities or equipment include but are not limited to:
 - (1) Cooking, dining, plumbing or refrigeration facilities;
 - (2) Awnings or cabanas; or
 - (3) Any other facilities or equipment used with a "trailer", camper body, or motor home.

This Exclusion (8.) does not apply to a:

- a. "Trailer", and its facilities or equipment, which you do not own; or
- b. "Trailer", camper body, or the facilities or equipment in or at

AUTO CHANGES TO YOUR POLICY - ARKANSAS

tached to the "trailer" or camper body, which you:

- (1) Acquire during the policy period; and
- (2) Ask us to insure within 20 days after you become the owner.

- B.** The last sentence of the **Payment Of Loss** Provision is replaced by the following:

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property. However, if the loss is a total loss to "your covered auto" or any "non-owned auto" and we elect either to pay for loss in money or offer a comparable replacement vehicle, our payment for loss will include, other than payment for any applicable deductible shown in the Declarations, all:

1. Applicable taxes;
2. License fees; and
3. Other fees;

actually incurred incident to transfer of evidence of ownership of a comparable replacement vehicle.

- C.** The **Other Sources Of Recovery** Provision is replaced by the following:

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. Any insurance we provide with respect to a "non-owned auto" shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the "non-owned auto";
2. Any other applicable physical damage insurance;
3. Any other source of recovery applicable to the loss.

However, we will provide primary insurance for a vehicle you do not own if:

1. A duly licensed automobile dealer provides a vehicle to you or a "family member":
 - a. For use as a temporary substitute for "your covered auto" while

it is out of normal use because of its breakdown, repair or servicing; or

- b. To demonstrate the vehicle; or

2. The vehicle is rented or leased by you or a "family member" from a rental company for a period not more than 90 days.

- D.** The **Appraisal** Provision is replaced by the following:

APPRAISAL

If we and you do not agree on the amount of loss, an appraisal of the loss may be made. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. An appraisal decision will not be binding on either party. Each party will:

1. Pay its chosen appraiser; and
2. Bear the expenses of the appraisal and umpire equally.

We do not waive any of our rights under this policy by agreeing to an appraisal.

V. PART F - OTHER PROVISIONS

Part **F** is amended as follows:

- A.** The **Fraud** Provision does not apply to **Part A – Liability Coverage**.
- B.** The following is added to the **Our Right To Recover Payment** Provision:

OUR RIGHT TO RECOVER PAYMENT

We shall be entitled to a recovery under Paragraph **A.** or **B.** only after the person has been fully compensated for damages.

SECTION IV - GENERAL POLICY PROVISIONS

TERMINATION

Paragraph **B.** of the cancellation condition is changed to read:

Cancellation

We may cancel this policy only for the reasons stated below by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you

AUTO CHANGES TO YOUR POLICY - ARKANSAS

at your mailing address shown in the Declarations. The effective date of cancellation stated in the notice shall become the end of the policy period.

If we or you cancel this policy, the unearned premium will be returned on a pro rata basis.

Proof of mailing shall be sufficient proof of notice.

1. When you or your lender if named as a payor on this policy have not paid the premium, whether payable to us or our agent or under any finance or credit plan, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.
2. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying you at least 20 days before the date cancellation takes effect.
3. When this policy has been in effect for 60 days or more or at any time if it is a renewal with us, we will cancel only:
 - a. For nonpayment of premium; or
 - b. Upon discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing the policy, or in presenting a claim under this policy. In

this case **(3.b.)** we will give you notice at least 20 days before the date cancellation takes effect.

However, we may not cancel solely because of the administrative suspension or revocation of the insured's driver's license due to the influence or use of alcohol or a controlled substance as set forth in ARK. CODE ANN. Section 5-65-104.

Nonrenewal

If we decide not to renew or continue this policy, we will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Less than one year, we will have the right not to renew or continue this policy at the end of the policy period.
2. 1 year or longer, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

This endorsement must be attached to the Change Endorsement when issued after policy is written.

<i>SERFF Tracking Number:</i>	<i>KEMP-125887690</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Trinity Universal Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>FPVS18470109F</i>		
<i>TOI:</i>	<i>30.0 Homeowners/Auto Combinations</i>	<i>Sub-TOI:</i>	<i>30.0000 Homeowner/Auto Combinations</i>
<i>Product Name:</i>	<i>Package Plus</i>		
<i>Project Name/Number:</i>	<i>VS 1847 Revision/FVS18470109F</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: KEMP-125887690 State: Arkansas
Filing Company: Trinity Universal Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: FPVS18470109F
TOI: 30.0 Homeowners/Auto Combinations Sub-TOI: 30.0000 Homeowner/Auto Combinations
Product Name: Package Plus
Project Name/Number: VS 1847 Revision/FVS18470109F

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 11/13/2008

Comments:

Attachment:

AR Filing Transmittal PKG.pdf

Satisfied -Name: Marked Up Copy - AU 933 **Review Status:** Approved 11/13/2008

Comments:

Attachment:

au9331007.pdf

Satisfied -Name: Marked Up Copy - VS 1847 **Review Status:** Approved 11/13/2008

Comments:

Attachment:

vs18470906 Markup.pdf

Satisfied -Name: PP 04 95 **Review Status:** Approved 11/13/2008

Comments:

Attachment:

PP04951007.pdf

19. Status of filing in domicile Not Filed Pending Authorized Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # FPVS18470109F

21. Filing Description [This area should be similar to the body of a cover letter and is free-form text]

The company, an associate of Unitrin, is filing a revised Package Plus Policy. Package Plus Policy, VS 1847 (09 06), will replace VS 1847 (04 02). The following revisions have been made to Section III – Personal Auto Coverage to adopt ISO PAP 1998 Auto Policy language.

- Under Definitions section, the definition of “you” and “your” was revised to provide a separated spouse with temporary coverage
- Definition section has been changed to clarify that leased pickups and vans are considered owned autos under the policy
- Definition for “newly acquired vehicle” was added
- The Part A - Liability Coverage Insuring Ageement was revised to clarify the policy’s defense coverage
- Under Part A - Liability Coverage, Supplementary Payments, paragraph 3. ‘our limit’ was changed to ‘our limit of liability’
- Under Part A - Liability Exclusions, Exclusion B.1. no longer applies to non-owned golf carts

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:

Amount: \$50.00 - being submitted via EFT

Refer to each state’s checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state’s checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SECTION III - PERSONAL AUTO COVERAGE

I. DEFINITIONS

The **Definitions** Section is amended as follows:

- A.** Throughout the policy, "minimum limits" refers to the following limits of liability as required by Arkansas law, to be provided under a policy of automobile liability insurance:
1. \$25,000 for each person, subject to \$50,000 for each accident, with respect to "bodily injury"; and
 2. \$25,000 for each accident with respect to "property damage".
- B.** The following definition of "newly acquired auto" ~~is added~~ is replaced by the following:
"Newly acquired auto":
1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:
 - a. A private passenger auto; or
 - b. A pickup or van, for which no other insurance policy provides coverage, that:
 - (1) Has a Gross Vehicle Weight of less than 10,000 lbs.; and
 - (2) Is not used for the delivery or transportation of goods and materials unless such use is:
 - (a) Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or
 - (b) For farming or ranching.
 2. Coverage for a "newly acquired auto" is provided as described below. If you ask us to insure a "newly acquired auto" after a specified time period described below has elapsed, any coverage we provide for a "newly acquired auto" will begin at the time you request the coverage.

- a. For any coverage provided in this policy except Coverage For Damage To Your Auto, a "newly acquired auto" will have the broadest coverage we now provide for any vehicle shown in the Declarations. Coverage begins on the date you become the owner. However, for this coverage to apply to a "newly acquired auto" which is in addition to any vehicle shown in the Declarations, you must ask us to insure it within 20 days after you become the owner.

If a "newly acquired auto" replaces a vehicle shown in the Declarations, coverage is provided for this vehicle without your having to ask us to insure it.

- b. Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:
- (1) 20 days after you become the owner if the Declarations indicate that Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
 - (2) Four days after you become the owner if the Declarations do not indicate that Collision Coverage applies to at least one auto. If you comply with the 4 day requirement and a loss occurred before you asked us to insure the "newly acquired auto", a Collision deductible of \$500 will apply.
- c. Other Than Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:

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- (1) 20 days after you become the owner if the Declarations indicate that Other Than Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
- (2) Four days after you become the owner if the Declarations do not indicate that Other Than Collision Coverage applies to at least one auto. If you comply with the 4 day requirement and a loss occurred before you asked us to insure the "newly acquired auto", an Other Than Collision deductible of \$500 will apply.

~~The definition "Your covered auto" is deleted and replaced by the following:~~

~~C. "Your covered auto" means:~~

- ~~1. Any vehicle shown in the Declarations.~~
- ~~2. A "newly acquired auto".~~
- ~~3. Any "trailer" you own.~~
- ~~4. Any auto or "trailer" you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
 - ~~a. Breakdown;~~
 - ~~b. Repair;~~
 - ~~c. Servicing;~~
 - ~~d. Loss; or~~
 - ~~e. Destruction.~~~~

~~This Provision (4.) does not apply to Coverage For Damage To Your Auto.~~

II. PART A - LIABILITY COVERAGE

Part A is amended as follows:

- A. The **Other Insurance** Provision is replaced by the following:

OTHER INSURANCE

If there is other applicable liability insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. Any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance. However, we will provide primary insurance for a vehicle you do not own if:

1. A duly licensed automobile dealer provides a vehicle to you or a "family member":
 - a. For use as a temporary substitute while "your covered auto" is out of normal use because of its breakdown, repair or servicing; or
 - b. To demonstrate the vehicle; or
2. The vehicle is rented or leased by you or any "family member" from a rental company for a period not more than 90 days.

III. PART B - MEDICAL PAYMENTS COVERAGE

Part B is amended as follows:

- A. The **Other Insurance** Provision is replaced by the following:

OTHER INSURANCE

If there is other applicable auto medical payments insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. Any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses. However, we will provide primary insurance for a vehicle you do not own if:

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1. A duly licensed automobile dealer provides a vehicle to you or a "family member":
 - a. For use as a temporary substitute while "your covered auto" is out of normal use because of its breakdown, repair or servicing; or
 - b. To demonstrate the vehicle; or
2. The vehicle is rented or leased by you or a "family member" from a rental company for a period not more than 90 days.

IV. PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Part **D** is amended as follows:

- A.** Exclusion **8.** is replaced by the following:
We will not pay for:

- 8.** Loss to:
- a. A "trailer", camper body, or motor home, which is not shown in the Declarations; or
 - b. Facilities or equipment used with such "trailer", camper body or motor home. Facilities or equipment include but are not limited to:
 - (1) Cooking, dining, plumbing or refrigeration facilities;
 - (2) Awnings or cabanas; or
 - (3) Any other facilities or equipment used with a "trailer", camper body, or motor home.

This Exclusion (**8.**) does not apply to a:

- a. "Trailer", and its facilities or equipment, which you do not own; or
 - b. "Trailer", camper body, or the facilities or equipment in or attached to the "trailer" or camper body, which you:
 - (1) Acquire during the policy period; and
 - (2) Ask us to insure within 20 days after you become the owner.
- B.** The last sentence of the **Payment Of Loss** Provision is replaced by the following:

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property. However, if the loss is a total loss to "your covered auto" or any "non-owned auto" and we elect either to pay for loss in money or offer a comparable replacement vehicle, our payment for loss will include, other than payment for any applicable deductible shown in the Declarations, all:

1. Applicable taxes;
2. License fees; and
3. Other fees;

actually incurred incident to transfer of evidence of ownership of a comparable replacement vehicle.

- C.** The **Other Sources Of Recovery** Provision is replaced by the following:

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. Any insurance we provide with respect to a "non-owned auto" shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the "non-owned auto";
2. Any other applicable physical damage insurance;
3. Any other source of recovery applicable to the loss.

However, we will provide primary insurance for a vehicle you do not own if:

1. A duly licensed automobile dealer provides a vehicle to you or a "family member":
 - a. For use as a temporary substitute for "your covered auto" while it is out of normal use because of its breakdown, repair or servicing; or
 - b. To demonstrate the vehicle; or
2. The vehicle is rented or leased by you or a "family member" from a rental company for a period not more than 90 days.

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D. The **Appraisal** Provision is replaced by the following:

APPRAISAL

If we and you do not agree on the amount of loss, an appraisal of the loss may be made. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. An appraisal decision will not be binding on either party. Each party will:

1. Pay its chosen appraiser; and
2. Bear the expenses of the appraisal and umpire equally.

We do not waive any of our rights under this policy by agreeing to an appraisal.

V. PART F - OTHER PROVISIONS

Part **F** is amended as follows:

- A.** The **Fraud** Provision does not apply to **Part A – Liability Coverage**.
- B.** The following is added to the **Our Right To Recover Payment** Provision:

OUR RIGHT TO RECOVER PAYMENT

We shall be entitled to a recovery under Paragraph **A.** or **B.** only after the person has been fully compensated for damages.

SECTION IV - GENERAL POLICY PROVISIONS

TERMINATION

Paragraph **B.** of the cancellation condition is changed to read:

Cancellation

We may cancel this policy only for the reasons stated below by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. The effective date of cancellation stated in the notice shall become the end of the policy period.

If we or you cancel this policy, the unearned premium will be returned on a pro rata basis.

Proof of mailing shall be sufficient proof of notice.

1. When you or your lender if named as a payor on this policy have not paid the premium, whether payable to us or our agent or under any finance or credit plan, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.
2. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying you at least 20 days before the date cancellation takes effect.
3. When this policy has been in effect for 60 days or more or at any time if it is a renewal with us, we will cancel only:
 - a. For nonpayment of premium; or
 - b. Upon discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing the policy, or in presenting a claim under this policy. In this case **(3.b.)** we will give you notice at least 20 days before the date cancellation takes effect.

However, we may not cancel solely because of the administrative suspension or revocation of the insured's driver's license due to the influence or use of alcohol or a controlled substance as set forth in ARK. CODE ANN. Section 5-65-104.

Nonrenewal

If we decide not to renew or continue this policy, we will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Less than one year, we will have the right not to renew or continue this policy at the end of the policy period.
2. 1 year or longer, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

This endorsement must be attached to the Change Endorsement when issued after policy is written.

INTRODUCTION

ABOUT YOUR POLICY

This is your Package Plus, a combination homeowners and auto policy. Throughout the policy, "you" and "your" mean the person shown as the "Named Insured" in the Declarations. It also means the spouse if a resident of the same household. "We", "our" and "us" mean the company which issued the policy. The name of that company is listed on your Declarations Page.

Your policy consists of:

- your Declarations Page.
 - this policy booklet.
 - any endorsements and amendments which we issue with your policy.
-

AGREEMENT

We are issuing this policy in return for payment of the premium. By issuing this policy, we agree to provide those insurance coverages described in your policy for which the required premium is paid by the due date. This policy is a legal contract between you and us.

HOW YOUR POLICY IS ORGANIZED

We want you to understand the coverage provided by your policy. We organized your policy so that it is easy to find information about your coverage. This Introduction explains how to use your policy.

We divided your policy into the following main parts:

The **Declarations Page** gives you important information about your policy, including:

- the name of the company providing this coverage.
- your policy number.
- your agent's name and address.
- when your policy will be in effect.
- the name of any mortgagee or loss payee who may be entitled to recover for a property loss.
- the location of your residence.
- the coverages, amounts of insurance and limits of liability that apply.
- the deductible(s) applying to your policy.
- the autos and trailers covered.
- a list of endorsements and amendments included with your policy at the time the policy itself is issued.
- the initial premium for your policy.

The **Introduction** tells you:

- about your policy.
- what we agree to do by issuing this policy.
- how your policy is organized.

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PACKAGE PLUS

DEFINITIONS THAT APPLY TO SECTIONS I AND II

The following words and phrases are defined as used in Sections I and II.

1. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
2. "Business" includes trade, profession or occupation.
3. "Insured" means you and residents of your household who are:
 - a. Your relatives; or
 - b. Other persons under the age of 21 and in the care of any person named above.Under Section II, "insured" also means:
 - c. With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3.a. or 3.b. above. A person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner is not an "insured";
 - d. With respect to any vehicle to which this policy applies:
 - 1) Persons while engaged in your employ or that of any person included in 3.a. or 3.b. above; or
 - 2) Other persons using the vehicle on an "insured location" with your consent.
4. "Insured location" means:
 - a. The "residence premises";
 - b. The part of other premises, other structures and grounds used by you as a residence and:
 - 1) Which is shown in the Declarations; or
 - 2) Which is acquired by you during the policy period for your use as a residence;
 - c. Any premises used by you in connection with a premises in 4.a. or 4.b. above;
 - d. Any part of a premises:
 - 1) Not owned by an "insured"; and
 - 2) Where an "insured" is temporarily residing;
 - e. Vacant land, other than farm land, owned by or rented to an "insured";
 - f. Land owned by or rented to an "insured" on which a one or two family dwelling is being built as a residence for an "insured";
 - g. Individual or family cemetery plots or burial vaults of an "insured"; or
 - h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
5. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
 - a. "Bodily injury"; or
 - b. "Property damage."
6. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
7. "Residence employee" means:
 - a. An employee of an "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services; or
 - b. One who performs similar duties elsewhere not related to the "business" of an "insured."
8. "Residence premises" means:
 - a. The one family dwelling, condominium unit, other structures, or grounds; or
 - b. That part of any other building;
where you reside and which is shown in the Declarations."Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown in the Declarations.

9. "Personal injury" means injury arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment, or malicious prosecution;
 - b. Libel, slander or defamation of character; or
 - c. Invasion of privacy, wrongful eviction or wrongful entry.
-

SECTION I - PROPERTY COVERAGES

COVERAGE A - DWELLING

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
2. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises."
3. Additions, alterations, fixtures, improvements or installations if you maintain a private residence in a condominium unit that you own at the "insured location." They must be part of the building within your unit. We cover items of real property that pertain exclusively to your condominium unit. We also cover other property which you are required by the Condominium Association agreement to insure. We do not cover:
 - a. Structures used in whole or in part for "business" purposes; or
 - b. Structures rented or held for rental to any person not a tenant of the "residence premises," unless used solely as a private garage.

This coverage does not apply to land, including land on which the dwelling is located.

COVERAGE B - OTHER STRUCTURES

We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. Used in whole or in part for "business"; or
 2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.
-

COVERAGE C - PERSONAL PROPERTY

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is \$5,000 or 10% of the Blanket Property Limit, whichever is greater. But this amount does not increase the Blanket Property Limit. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

Special Limits of Liability. These limits do not increase the Blanket Property Limit. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.

2. \$1,000 on securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

3. \$1,000 on watercraft, including their trailers, furnishings, equipment and outboard motors.
4. \$1,000 on trailers not used with watercraft.
5. \$5,000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones; but not exceeding \$1,000 for any one article.
6. \$2,000 for loss by theft of firearms.
7. \$5,000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
8. \$2,500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits 10. and 11. below.
10. \$1,000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
 - a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or media; for use with any electronic apparatus.
11. \$1,000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
 - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
 - b. Is away from the "residence premises"; and
 - c. Is used at any time or in any manner for any "business" purpose.Electronic apparatus includes:
 - a. Accessories and antennas; or
 - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.

Property Not Covered. We do not cover:

1. Articles separately described and specifically insured in this or other insurance;
2. Animals, birds or fish;
3. Motor vehicles or all other motorized land conveyances.

This includes:

- a. Their equipment and accessories; or
- b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
 - 1) Accessories or antennas; or
 - 2) Tapes, wires, records, discs or other media; for use with any electronic apparatus.

This exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
 - b. Designed for assisting the handicapped.
4. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
 5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
 6. Property in an apartment regularly rented or held for rental to others by an "insured," except as provided in Additional Coverage 10.;
 7. Property rented or held for rental to others off the "residence premises";
 8. "Business" data, including such data stored in:
 - a. Books of account, drawings or other paper records; or
 - b. Electronic data processing tapes, wires, records, discs or other software media;However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market; or
 9. Credit cards or fund transfer cards except as provided in Additional Coverages 6.
-

COVERAGE D - LOSS OF USE

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph b. below.
 - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
 - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is not fit to live in.Payment under a. or b. will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.
2. If a loss covered under this Section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the:
Fair Rental Value, meaning the fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.
Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.
3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value loss as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

ADDITIONAL COVERAGES

1. **Debris Removal**. We will pay your reasonable expense for the removal of:
 - a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
 - b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

We will also pay your reasonable expense, up to \$500 in the aggregate for the removal from the "residence premises" of:

- a. Your trees(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or

c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C; provided the tree(s) damages a covered structure.

The cost of removing debris or fallen trees under this provision is included in the Blanket Property Limit that applies to the damaged property. It does not increase the Blanket Property Limit.

2. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. Does not increase the Blanket Property Limit applying to the property being repaired;
- b. Does not relieve you of your duties, in case of a loss to covered property, as set forth in SECTION I - CONDITION 2.d.

3. **Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned by or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

The limit of liability for this coverage will not be more than 5% of the Blanket Property Limit or more than \$500 for any one tree, shrub or plant. We do not cover property grown for business purposes.

This coverage is additional insurance.

4. **Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response. This coverage is additional insurance. No deductible applies to this coverage.

5. **Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the Blanket Property Limit that applies to the property being removed.

6. **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$5,000 for:

- a. The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name.
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name.
- c. Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

This coverage is additional insurance. No deductible applies to this coverage.

Defense:

- a. We may investigate and settle any claims or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.

c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

7. **Loss Assessment.** We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE A - DWELLING, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTION I AND II - CONDITIONS, does not apply to this coverage.

8. **Collapse.** We insure for direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:
- Perils Insured Against in COVERAGE C - PERSONAL PROPERTY. These perils apply to covered building and personal property for loss insured by this additional coverage;
 - Hidden decay;
 - Hidden insect or vermin damage;
 - Weight of contents, equipment, animals or people;
 - Weight of rain which collects on a roof; or
 - Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e., and f. unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

This coverage does not increase the Blanket Property Limit applying to the damaged covered property.

9. **Glass or Safety Glazing Material.**

We cover:

- The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- Damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window.

This coverage does not include loss on the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

Loss for damage to glass will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the limit of liability that applies to the damaged property.

10. **Landlord's Furnishings.** We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in an apartment on the "residence premises" regularly rented or held for rental to others by an "insured," for loss caused only by the following Perils Insured Against:

- Fire or lightning.**
- Windstorm or hail.**

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

c. **Explosion.**

d. **Riot or civil commotion.**

e. **Aircraft**, including self-propelled missiles and spacecraft.

f. **Vehicles.**

g. **Smoke**, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

h. **Vandalism or malicious mischief.**

i. **Falling objects.**

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

j. **Weight of ice, snow or sleet** which causes damage to property contained in a building.

k. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

This peril does not include loss:

- 1) To the system or appliance from which the water or steam escaped;
- 2) Caused by or resulting from freezing except as provided in the peril of freezing below; or
- 3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

l. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

m. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.

This peril does not include loss on the "residence premises" while the dwelling is unoccupied, unless you have used reasonable care to:

- 1) Maintain heat in the building; or
- 2) Shut off the water supply and drain the system and appliances of water.

n. **Sudden and accidental damage from artificially generated electrical current.**

This peril does not include loss to a tube, transistor or similar electronic component.

o. **Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

The \$2,500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

11. **Building Additions and Alterations.** The following additional coverage applies if the "residence premises" shown in the Declarations is a rented dwelling unit.

Under Coverage C, we insure the building improvements, or installations made or acquired at your expense to the part of the "residence premises" used exclusively by you. The limit of liability for this coverage will not be more than 10% of the Blanket Property Limit. This coverage is additional insurance.

12. **Refrigerated Property.** We insure, up to \$500, covered property stored in freezers or refrigerators on the "residence premises" for direct loss caused by:

1. Interruption of electrical service to the refrigeration unit. The interruption must be caused by damage to the generating or transmitting equipment; or
2. Mechanical failure of the unit storing the property.

Coverage will apply only if you have maintained the refrigeration unit in proper working condition immediately prior to the loss.

The Section I - Power Failure exclusion does not apply to this coverage.

The following deductible applies to a covered loss under Refrigerated Property:

We will pay only that part of the loss that exceeds \$100. The Section I deductible does not apply to this coverage.

13. **Lock Replacement Coverage.** If your house keys are lost or stolen and you notify us of this in writing within 72 hours of the discovery, we will pay 50 per cent, not to exceed \$500, of the cost to replace your house locks. The Section I deductible does not apply to this coverage.

14. **Ordinance or Law.**

If the "residence premises" shown in the Declarations is a rented dwelling unit the words 'covered building' used below refer to property covered under Additional Coverage 11. Building Additions and Alterations.

- a. You may use up to 10% of the Blanket Property Limit for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - 1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a PERIL INSURED AGAINST;
 - 2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a PERIL INSURED AGAINST to another part of that covered building or other structure; or
 - 3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a PERIL INSURED AGAINST.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- c. We do not cover:
 - 1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - 2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure.
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

SECTION I - PERILS INSURED AGAINST

COVERAGE A - DWELLING AND COVERAGE B -- OTHER STRUCTURES

We insure against risks of direct loss to property described in Coverages A and B only if that loss is a physical loss to property; however, we do not insure loss:

- 1. Involving collapse, other than as provided in Additional Coverage 8.;
- 2. Caused by:
 - a. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed unless you have used reasonable care to:
 - 1) Maintain heat in the building; or
 - 2) Shut off the water supply and drain the system and appliances of water;

- b. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - 1) Fence, pavement, patio or swimming pool;
 - 2) Foundation, retaining wall or bulkhead; or
 - 3) Pier, wharf or dock;
- c. Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- d. Vandalism and malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- e. Any of the following:
 - 1) Wear and tear, marring, deterioration;
 - 2) Inherent vice, latent defect, mechanical breakdown;
 - 3) Smog, rust or other corrosion, mold, wet or dry rot;
 - 4) Smoke from agricultural smudging or industrial operations;
 - 5) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this policy.
 Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
 - 6) Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
 - 7) Birds, vermin, rodents, or insects; or
 - 8) Animals owned or kept by an "insured."

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

3. Excluded under Section I - Exclusions.

Under items 1. and 2., any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

COVERAGE C – PERSONAL PROPERTY

We insure for direct physical loss to property described in Coverage C caused by a peril listed below unless the loss is excluded in SECTION I - EXCLUSIONS.

- 1. **Fire or lightning.**
- 2. **Windstorm or hail.**

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

- 3. **Explosion.**
- 4. **Riot or civil commotion.**
- 5. **Aircraft**, including self-propelled missiles and spacecraft.
- 6. **Vehicles.**

- 7. **Smoke**, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

- 8. **Vandalism or malicious mischief.**

9. **Theft**, including attempted theft and loss of property from a known location when it is likely that the property has been stolen.
This peril does not include loss caused by theft:
- Committed by an "insured";
 - In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
 - From that part of a "residence premises" rented by an "insured" to other than an "insured."
- This peril does not include loss caused by theft that occurs off the "residence premises" of:
- Property while at any other residence owned by, rented to, or occupied by an "insured," except while an insured is temporarily living there. Property of a student who is an "insured" is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
 - Watercraft, and their furnishing, equipment and outboard engines or motors; or
 - Trailers and campers.
10. **Falling objects.**
This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
11. **Weight of ice, snow or sleet** which causes damage to property contained in a building.
12. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
This peril does not include loss:
- To the system or appliance from which the water or steam escaped;
 - Caused by or resulting from freezing except as provided in the peril of freezing below; or
 - On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."
- In this peril, a plumbing system does not include a sump, sump pump or related equipment.
13. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.
We do not cover loss caused by or resulting from freezing under this peril.
14. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.
This peril does not include loss on the "residence premises" while the dwelling is unoccupied, unless you have used reasonable care to:
- Maintain heat in the building; or
 - Shut off the water supply and drain the system and appliances of water.
15. **Sudden and accidental damage from artificially generated electrical current.**
This peril does not include loss to a tube, transistor or similar electronic component.
16. **Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.

SECTION I - EXCLUSIONS

1. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.
- Ordinance or Law**, meaning any ordinance or law:
 - Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion 1.a. does not apply to the amount of coverage that may be provided for under ADDITIONAL COVERAGES, Glass or Safety Glazing Material or Ordinance or Law;
 - The requirements of which result in a loss in value to property; or

- 3) Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion applies whether or not the property has been physically damaged.

- b. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:

- 1) Fire;
- 2) Explosion; or
- 3) Breakage of glass or safety glazing material which is part of a building, storm door or storm window;

ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

- c. **Water Damage**, meaning:

- 1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- 2) Water which backs up through sewers or drains or which overflows from a sump; or
- 3) Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire, explosion or theft resulting from water damage is covered.

- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.

- e. **Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

- f. **War**, including the following and any consequence of any of the following:

- 1) Undeclared war, civil war, insurrection, rebellion or revolution;
- 2) Warlike act by a military force or military personnel; or
- 3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

- g. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of SECTION I - CONDITIONS.

- h. **Intentional Loss**, meaning any loss arising out of any act committed:

- a. By or at the direction of an "insured"; and
- b. With the intent to cause a loss.

2. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

- a. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;

- b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;

- c. **Faulty, inadequate or defective**:

- 1) Planning, zoning, development, surveying, siting;
- 2) Design, specification, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- 3) Materials used in repair, construction, renovation or remodeling; or
- 4) Maintenance;

of part or all of any property whether on or off the "residence premises."

SECTION I - CONDITIONS

1. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
 - a. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
 - b. For more than the applicable limit of liability.
2. **Your Duties After Loss.** In case of a loss to covered property, you must see that the following are done:
 - a. Give prompt notice to us or our agent;
 - b. Notify the police in case of loss by theft;
 - c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
 - d. Protect the property from further damage. If repairs to the property are required, you must:
 - 1) Make reasonable and necessary repairs to protect the property; and
 - 2) Keep an accurate record of repair expenses;
 - e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
 - f. As often as we reasonably require:
 - 1) Show the damaged property;
 - 2) Provide us with records and documents we request and permit us to make copies; and
 - 3) Submit to examination under oath, while not in the presence of any other "insured," and sign the same.
 - g. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - 1) The time and cause of loss;
 - 2) The interest of the "insured" and all others in the property involved and all liens on the property;
 - 3) Other insurance which may cover the loss;
 - 4) Changes in title or occupancy of the property during the term of the policy;
 - 5) Specifications of damaged buildings and detailed repair estimates;
 - 6) The inventory of damaged personal property described in 2.e. above;
 - 7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - 8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.
3. **Loss Settlement. Covered property losses are settled as follows:**
 - a. **We will pay actual cash value for a covered loss to the following personal property. This means there may be a deduction for depreciation for property:**
 - 1) **Which by its inherent nature cannot be replaced.**
 - 2) **Not maintained in good or workable condition.**
 - 3) **Which at time of loss is either obsolete or useless to you.****However, our payment will not exceed the lesser of the:**
 - 1) **Amount necessary to repair or replace the damaged or lost property; or**
 - 2) **Blanket Property Limit or any special limit applying to the property.**
 - b. **We will pay the cost of repair or replacement for a covered loss to other property. This means there will be no deduction for depreciation.**

- 1) For personal property, our payment for loss will not exceed the least of the:
 - a) Blanket Property Limit applying to the property;
 - b) Special limit applying to the property;
 - c) Actual cost incurred to repair, restore or replace at time of loss; or
 - d) Replacement value at time of loss.
- 2) For other property, our payment for loss will not exceed the least of the:
 - a) Blanket Property Limit applying to the property;
 - b) Replacement cost of that part of the property damaged for equivalent construction and use on the same premises; or
 - c) Amount actually and necessarily spent to repair or replace the damaged property.
- c. The value of the property insured is not agreed upon but shall be determined at the time of loss.
- d. We will pay no more than the actual cash value of the damage unless:
 - 1) Actual repair or replacement is complete; or
 - 2) The cost to repair or replace the damage for the entire loss is less than:
 - a) \$1,000 under b.1) above; or
 - b) \$2,500 under b.2) above.
- e. You may make a claim for loss on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis within 180 days after the loss.

If the Scheduled Personal Property Endorsement is attached to this policy, Condition 2.c. of that endorsement is replaced by this Condition 3. Loss Settlement.

4. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between actual cash value of the property before and after the loss.
5. **Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
6. **Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.
Each party will:
 - a. Pay its own appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.
7. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the Blanket Property Limit that applies under this policy bears to the total amount of insurance covering the loss. However, if there is other insurance in the name of the condominium association covering the same property, this insurance shall be excess over the other insurance.
8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.
9. **Our Option.** If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.
10. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:
 - a. Reach an agreement with you;
 - b. There is an entry of a final judgment; or
 - c. There is a filing of an appraisal award with us.

11. **Abandonment of Property.** We need not accept any property abandoned by an "insured."

12. **Mortgage Clause.**

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

13. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

14. **Nuclear Hazard Clause.**

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against in Section I.
- c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

15. **Recovered Property.** If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

16. **Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

17. **Blanket Property Limit.** The Blanket Property Limit shown in the Declarations for each "insured location" is the most we will pay for a covered loss at that "insured location." This Blanket Property Limit applies in the aggregate for all coverages under this section. It includes these Additional coverages:

- a. Debris Removal;
- b. Reasonable Repairs;
- c. Property Removed; and
- d. Collapse.

The other Additional Coverages apply in addition to the Blanket Property Limit.

SECTION II - LIABILITY COVERAGES

COVERAGE E - PERSONAL LIABILITY

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" or because of "personal injury" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured"; and
 2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the "occurrence" equals our limit of liability.
-

COVERAGE F - MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury." Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees." As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
 2. To a person off the "insured location," if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. Is caused by an animal owned by or in the care of an "insured."
-

SECTION II - EXCLUSIONS

1. **Coverage E - Personal Liability and Coverage F - Medical Payment to Others** do not apply to "bodily injury" or "property damage":
 - a. Which is expected or intended by the "insured";
 - b. Arising out of or in connection with a "business" engaged in by an "insured." This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business."
But this exclusion does not apply to the part-time "business" pursuits of insured minors;
 - c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of an "insured location":
 - 1) On an occasional basis if used only as a residence;
 - 2) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - 3) In part, as an office, school, studio or private garage;
 - d. Arising out of the rendering of or failure to render professional services;
 - e. Arising out of a premises:
 - 1) Owned by an "insured";
 - 2) Rented to an "insured"; or
 - 3) Rented to others by an "insured";that is not an "insured location";

- f. Arising out of:
- 1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";
 - 2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or
 - 3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph 1) or 2) above.

This exclusion does not apply to:

- 1) A trailer not towed by or carried on a motorized land conveyance.
 - 2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
 - a) Not owned by an "insured"; or
 - b) Owned by an "insured" and on an "insured location";
 - 3) A motorized golf cart when used to play golf on a golf course;
 - 4) A vehicle or conveyance not subject to motor vehicle registration which is:
 - a) Used to service an "insured's" residence;
 - b) Designed for assisting the handicapped; or
 - c) In dead storage on an "insured location";
- g. Arising out of:
- 1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
 - 2) The entrustment by an "insured" of an excluded watercraft described below to any person; or
 - 3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

- 1) That are not sailing vessels and are powered by:
 - a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
 - b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
 - c) One or more outboard engines or motors with 50 total horsepower or less;
 - d) One or more outboard engines or motors with more than 50 total horsepower if the outboard engine or motor is not owned by an "insured";
 - e) Outboard engines or motors of more than 50 total horsepower owned by an "insured" if:
 - i) You acquire them prior to the policy period; and
 - a) You declare them at policy inception; or
 - b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
 - ii) You acquire them during the policy period.
This coverage applies for the policy period.
- 2) That are sailing vessels, with or without auxiliary power:
 - a) Less than 26 feet in overall length;
 - b) 26 feet or more in overall length, not owned by or rented to an "insured."
- 3) That are stored;

- h. Arising out of:
 - 1) The ownership, maintenance, use, loading, or unloading of an aircraft;
 - 2) The entrustment by an "insured" of an aircraft to any person; or
 - 3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;

- i. Caused directly or indirectly by war, including the following and any consequence of any of the following:
 - 1) Undeclared war, civil war, insurrection, rebellion or revolution;
 - 2) Warlike act by a military force or military personnel; or
 - 3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

- j. Which arises out of the transmission of a communicable disease by an "insured";
- k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or
- l. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

Exclusions e., f., g., and h. do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured."

2. **Coverage E - Personal Liability**, does not apply to:

- a. Liability:
 - 1) For any loss assessment charged against you as a member of an association, corporation or community of property owners;
 - 2) Under any contract or agreement. However, this exclusion does not apply to written contracts:
 - a) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - b) Where the liability of others is assumed by the "insured" prior to an "occurrence";unless excluded in 1) above or elsewhere in this policy;
- b. "Property damage" to property owned by the "insured";
- c. "Property damage" to property rented to, occupied or used by or in the care of the "insured." This exclusion does not apply to "property damage" caused by fire, smoke or explosion;
- d. "Bodily injury" to any person eligible to receive any benefits:
 - 1) Voluntarily provided; or
 - 2) Required to be provided;by the "insured" under any:
 - 1) Workers compensation law;
 - 2) Nonoccupational disability law; or
 - 3) Occupational disease law;
- e. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - 1) Is also an insured under a nuclear energy liability policy; or
 - 2) Would be an insured under that policy but for the exhaustion of its limit of liability.A nuclear energy liability policy is one issued by:
 - 1) American Nuclear Insurers;
 - 2) Mutual Atomic Energy Liability Underwriters;
 - 3) Nuclear Insurance Association of Canada;or any of their successors; or

- f. "Bodily injury" to you or an "insured" within the meaning of part a. or b. of "insured" as defined;
- g. "Personal injury" arising from:
 - 1) Liability assumed by the "insured" under any contract or agreement except any indemnity obligation assumed by the "insured" under a written contract directly relating to the ownership, maintenance or use of the premises;
 - 2) Injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of an "insured";
 - 3) Injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by the "insured";
 - 4) Injury arising out of or in connection with a "business" engaged in by an "insured." This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business";
 - 5) Civic or public activities performed for pay by an "insured"; or
 - 6) Injury to you or an "insured" within the meaning of part a. or b. of "insured" as defined.
- 3. **Coverage F - Medical Payments to Others**, does not apply to "bodily injury":
 - a. To a "residence employee" if the "bodily injury":
 - 1) Occurs off the "insured location"; and
 - 2) Does not arise out of or in the course of the "residence employee's" employment by an "insured";
 - b. To any person eligible to receive benefits:
 - 1) Voluntarily provided; or
 - 2) Required to be provided;under any:
 - 1) Workers compensation law;
 - 2) Nonoccupational disability law; or
 - 3) Occupational disease law;
 - c. From any:
 - 1) Nuclear reaction;
 - 2) Nuclear radiation; or
 - 3) Radioactive contamination;all whether controlled or uncontrolled or however caused; or
 - 4) Any consequence of any of these; or
 - d. To any person other than a "residence employee" of an "insured," regularly residing on any part of the "insured location."

SECTION II – ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

- 1. **Claim Expenses.** We pay:
 - a. Expenses we incur and costs taxed against an "insured" in any suit we defend;
 - b. Premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. We need not apply for or furnish any bond;
 - c. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income), up to \$50 per day, for assisting us in the investigation or defense of a claim or suit; and
 - d. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to you or any other "insured."
3. **Damage to Property of Others.** We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured."

We will not pay for "property damage":

- a. To the extent of any amount recoverable under Section I of this policy;
- b. Caused intentionally by an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
- e. Arising out of:
 - 1) A "business" engaged in by an "insured";
 - 2) Any act or omission in connection with a premises owned, rented or controlled by an "insured," other than the "insured location"; or
 - 3) The ownership, maintenance or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an "insured."

4. **Loss Assessment.** We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - 1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
 - 2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

1. Section II - Coverage E - Personal Liability Exclusion 2.a.1);
2. Condition 1. Policy Period, under SECTION I AND II - CONDITIONS.

SECTION II - CONDITIONS

1. **Limit of Liability.** Our total liability under Coverage E - Personal Liability for all damages resulting from any one "occurrence" will not be more than the limit of liability for Personal Liability as shown in the Declarations. This limit is the same regardless of the number of "insureds," claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence."

Our total liability under Coverage F - Medical Payments to Others for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the limit of liability for Medical Payments to Others as shown in the Declarations.

2. **Severability of Insurance.** This insurance applies separately to each "insured." This condition will not increase our limit of liability for any one "occurrence."
3. **Duties After Loss.** In case of an accident or "occurrence," the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:
 - a. Give written notice to us or our agent as soon as is practical, which sets forth:
 - 1) The identity of the policy and "insured";
 - 2) Reasonably available information on the time, place and circumstances of the accident or "occurrence"; and
 - 3) Names and addresses of any claimants and witnesses;
 - b. Promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence";
 - c. At our request, help us:
 - 1) To make settlement;
 - 2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - 3) With the conduct of suits and attend hearings and trials; and
 - 4) To secure and give evidence and obtain the attendance of witnesses;
 - d. Under the coverage - Damage to Property of Others - submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the "insured's" control;
 - e. The "insured" will not, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury."
4. **Duties of an Injured Person - Coverage F - Medical Payments to Others.**
The injured person or someone acting for the injured person will:
 - a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
 The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.
5. **Payment of Claim - Coverage F - Medical Payment to Others.** Payment under this coverage is not an admission of liability by an "insured" or us.
6. **Suit Against Us.** No action can be brought against us unless there has been compliance with the policy provisions.
No one will have the right to join us as a party to any action against an "insured." Also, no action with respect to Coverage E can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.
7. **Bankruptcy of an Insured.** Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.
8. **Other Insurance - Coverage E - Personal Liability.** This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTION I AND II - CONDITIONS

1. **Policy Period.** Sections I and II apply only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.
2. **Concealment or Fraud.** We do not provide coverage if, whether before or after a loss, an "insured" has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements; relating to this insurance.
3. **Subrogation.** An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

SECTION III - PERSONAL AUTO COVERAGE

DEFINITIONS

Throughout this Section, "you" and "your" refer to:

1. The "named insured" shown in the Declarations; and
2. The spouse if a resident of the same household.

If the spouse ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse will be considered "you" and "your" under this policy but only until the earlier of:

1. The end of 90 days following the spouse's change of residency;
2. The effective date of another policy listing the spouse as a named insured; or
3. The end of the policy period.

"We", "us" and "our" refer to the Company providing this insurance.

For purpose of this Section, a private passenger type auto, pickup or van shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and
2. For a continuous period of at least 6 months.

The following words and phrases are defined as used in this Section. They are in quotation marks when used.

"Bodily injury" means bodily harm, sickness or disease, including death that results.

"Business" includes trade, profession or occupation.

"Family member" means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.

"Occupying" means in, upon, getting in, on, out or off.

"Property damage" means physical injury to, destruction of or loss of use of tangible property.

"Trailer" means a vehicle designed to be pulled by a:

1. Private passenger auto; or
2. Pickup or van.

It also means a farm wagon or farm implement while towed by a vehicle listed in 1. or 2. above.

"Your covered auto" means:

1. Any vehicle shown in the Declarations.
2. ~~Any of the following types of vehicles on the date you become the owner:~~
 - a. ~~A private passenger auto; or~~
 - b. ~~A pickup or van that:~~
 - 1) ~~Has a Gross Vehicle Weight of less than 10,000 lbs.; and~~
 - 2) ~~Is not used for the delivery or transportation of goods and materials unless such use is:~~
 - a) ~~Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or~~
 - b) ~~For farming or ranching.~~

~~This provision (2.) applies only if:~~

- a. ~~You acquire the vehicle during the policy period;~~
- b. ~~You ask us to insure it within 30 days after you become the owner; and~~

~~c. With respect to a pickup or van, no other insurance policy provides coverage for that vehicle.~~

~~If the vehicle you acquire replaces one shown in the Declarations, it will have the same coverage as the vehicle it replaced. You must ask us to insure a replacement vehicle within 30 days only if you wish to add or continue Coverage for Damage to Your Auto.~~

~~If the vehicle you acquire is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations.~~

2. A "newly acquired auto".
3. Any "trailer" you own.
4. Any auto or "trailer" you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. Loss; or
 - e. Destruction.

This provision (4.) does not apply to Coverage for Damage to Your Auto.

"Newly acquired auto":

1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:
 - a. A private passenger auto; or
 - b. A pickup or van, for which no other insurance policy provides coverage, that:
 - (1) Has a Gross Vehicle Weight of less than 10,000 lbs.; and
 - (2) Is not used for the delivery or transportation of goods and materials unless such use is:
 - (a) Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or
 - (b) For farming or ranching.
2. Coverage for a "newly acquired auto" is provided as described below. If you ask us to insure a "newly acquired auto" after a specified time period described below has elapsed, any coverage we provide for a "newly acquired auto" will begin at the time you request the coverage.
 - a. For any coverage provided in this policy except Coverage For Damage To Your Auto, a "newly acquired auto" will have the broadest coverage we now provide for any vehicle shown in the Declarations. Coverage begins on the date you become the owner. However, for this coverage to apply to a "newly acquired auto" which is in addition to any vehicle shown in the Declarations, you must ask us to insure it within 14 days after you become the owner.

If a "newly acquired auto" replaces a vehicle shown in the Declarations, coverage is provided for this vehicle without your having to ask us to insure it.
 - b. Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:
 - (1) 14 days after you become the owner if the Declarations indicate that Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
 - (2) Four days after you become the owner if the Declarations do not indicate that Collision Coverage applies to at least one auto. If you comply with the 4 day requirement and a loss occurred before you asked us to insure the "newly acquired auto", a Collision deductible of \$500 will apply.
 - c. Other Than Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:
 - (1) 14 days after you become the owner if the Declarations indicate that Other Than Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
 - (2) Four days after you become the owner if the Declarations do not indicate that Other Than Collision Coverage applies to at least one auto. If you comply with the 4 day requirement

and a loss occurred before you asked us to insure the "newly acquired auto", an Other Than Collision deductible of \$500 will apply.

SECTION III - PART A - LIABILITY COVERAGE

INSURING AGREEMENT

- A.** We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the "insured." We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payments of judgments or settlements. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.
- B.** "Insured" as used in this Part means:
1. You or any "family member" for the ownership, maintenance or use of any auto or "trailer."
 2. Any person using "your covered auto."
 3. For "your covered auto," any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.
 4. For any auto or "trailer," other than "your covered auto," any other person or organization but only with respect to legal responsibility for acts or omissions of you or any "family member" for whom coverage is afforded under this Part. This provision (B.4.) applies only if the person or organization does not own or hire the auto or "trailer."
-

SUPPLEMENTARY PAYMENTS

In addition to our limit of liability, we will pay on behalf of an "insured":

1. Up to \$250 for the cost of bail bonds required because of an accident, including related traffic law violations. The accident must result in "bodily injury" or "property damage" covered under this policy.
 2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.
 3. Interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.
 4. Up to \$200 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
 5. Other reasonable expenses incurred at our request.
-

EXCLUSIONS

- A.** We do not provide Liability Coverage for any "insured":
1. Who intentionally causes "bodily injury" or "property damage."
 2. For "property damage" to property owned or being transported by that "insured."
 3. For "property damage" to property:
 - a. Rented to;
 - b. Used by; or
 - c. In the care of;that "insured."
This exclusion (A.3.) does not apply to "property damage" to a residence or private garage.
 4. For "bodily injury" to an employee of that "insured" during the course of employment. This exclusion (A.4.) does not apply to "bodily injury" to a domestic employee unless workers compensation benefits are required or available for that domestic employee.
 5. For that "insured's" liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This exclusion (A.5.) does not apply to a share-the-expense car pool.

6. While employed or otherwise engaged in the "business" of:

- a. Selling;
- b. Repairing;
- c. Servicing;
- d. Storing; or
- e. Parking;

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion (A.6.) does not apply to the ownership, maintenance or use of "your covered auto" by:

- a. You;
- b. Any "family member"; or
- c. Any partner, agent or employee of you or any "family member."

7. Maintaining or using any vehicle while that "insured" is employed or otherwise engaged in any "business" (other than farming or ranching) not described in exclusion A.6.

This exclusion (A.7.) does not apply to the maintenance or use of a:

- a. Private passenger auto;
- b. Pickup or van; or
- c. "Trailer" used with a vehicle described in a. or b. above.

8. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (A.8.) does not apply to a "family member" using "your covered auto" which is owned by you.

9. For "bodily injury" or "property damage" for which that "insured":

- a. Is an insured under a nuclear energy liability policy; or
- b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

- a. Nuclear Energy Liability Insurance Association;
- b. Mutual Atomic Energy Liability Underwriters; or
- c. Nuclear Insurance Association of Canada.

B. We do not provide Liability Coverage for the ownership, maintenance or use of:

1. Any vehicle which:

- a. Has fewer than four wheels; or
- b. Is designed mainly for use off public roads.

This exclusion (B.1.) does not apply:

- a. While such vehicle is being used by an "insured" in a medical emergency; or
- b. To any "trailer"; or
- c. To any non-owned golf cart.

2. Any vehicle, other than "your covered auto," which is:

- a. Owned by you; or
- b. Furnished or available for your regular use.
- c. ~~To any non-owned golf cart.~~

3. Any vehicle, other than "your covered auto," which is:

- a. Owned by any "family member"; or
- b. Furnished or available for the regular use of any "family member."

However, this exclusion (B.3.) does not apply to you while you are maintaining or "occupying" any vehicle which is:

- a. Owned by any "family member"; or
- b. Furnished or available for the regular use of a "family member."

4. Any vehicle, located inside a facility designed for racing, for the purpose of:

- a. Competing in; or
- b. Practicing or preparing for; any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

A. The limit of liability shown in the Declarations for each person for Bodily Injury Liability is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Bodily Injury Liability is our maximum limit of liability for all damages for "bodily injury" resulting from any one auto accident.

The limit of liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all "property damage" resulting from any one auto accident.

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

1. "Insureds";
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the auto accident.

B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:

1. Part **B** or Part **C** of this policy; or
 2. Any Underinsured Motorists Coverage provided by this policy.
-

OUT OF STATE COVERAGE

If an auto accident to which this policy applies occurs in any state or province other than the one in which "your covered auto" is principally garaged, we will interpret your policy for that accident as follows:

A. If the state or province has:

1. A financial responsibility or similar law specifying limits of liability for "bodily injury" or "property damage" higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

B. No one will be entitled to duplicate payments for the same elements of loss.

FINANCIAL RESPONSIBILITY

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required.

OTHER INSURANCE

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

SECTION III - PART B - MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

A. We will pay reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":

1. Caused by accident; and
2. Sustained by an "insured."

We will pay only those expenses incurred for services rendered within 3 years from the date of the accident.

B. "Insured" as used in this Part means:

1. You or any "family member":
 - a. While "occupying"; or
 - b. As a pedestrian when struck by;
a motor vehicle designed for use mainly on public roads or a trailer of any type.
 2. Any other person while "occupying" "your covered auto."
-

EXCLUSIONS

We do not provide Medical Payments Coverage for any "insured" for "bodily injury":

1. Sustained while "occupying" any motorized vehicle having fewer than four wheels.
2. Sustained while "occupying" "your covered auto" when it is being used as a public or livery conveyance. This exclusion (2.) does not apply to a share-the-expense car pool.
3. Sustained while "occupying" any vehicle located for use as a residence or premises.
4. Occurring during the course of employment if workers compensation benefits are required or available for the "bodily injury."
5. Sustained while "occupying," or when struck by, any vehicle (other than "your covered auto") which is:
 - a. Owned by you; or
 - b. Furnished or available for your regular use.
6. Sustained while "occupying," or when struck by, any vehicle (other than "your covered auto") which is:
 - a. Owned by any "family member"; or
 - b. Furnished or available for the regular use of any "family member."However, this exclusion (6.) does not apply to you.
7. Sustained while "occupying" a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (7.) does not apply to a "family member" using "your covered auto" which is owned by you.
8. Sustained while "occupying" a vehicle when it is being used in the "business" of an "insured." This exclusion (8.) does not apply to "bodily injury" sustained while "occupying" a:
 - a. Private passenger auto;
 - b. Pickup or van that you own; or
 - c. "Trailer" used with a vehicle described in a. or b. above.
9. Caused by or as a consequence of:
 - a. Discharge of a nuclear weapon (even if accidental);
 - b. War (declared or undeclared);
 - c. Civil war;
 - d. Insurrection; or
 - e. Rebellion or revolution.
10. From or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - a. Nuclear reaction;
 - b. Radiation; or
 - c. Radioactive contamination.
11. Sustained while "occupying" any vehicle located inside a facility designed for racing, for the purpose of:
 - a. Competing in; or
 - b. Practicing or preparing for;
any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

- A.** The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:
1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
1. Part **A** or Part **C** of this policy; or
 2. Any Underinsured Motorists Coverage provided by this policy.
-

OTHER INSURANCE

If there is other applicable auto medical payments insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

SECTION III - PART C - UNINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

- A.** We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of "bodily injury":
1. Sustained by an "insured"; and
 2. Caused by an accident.
- The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle."
- Any judgment for damages arising out of a suit brought without our written consent is not binding on us.
- B.** "Insured" as used in this Part means:
1. You or any "family member."
 2. Any other person "occupying" "your covered auto."
 3. Any person for damages that person is entitled to recover because of "bodily injury" to which this coverage applies sustained by a person described in **1.** or **2.** above.
- C.** "Uninsured motor vehicle" means a land motor vehicle or trailer of any type:
1. To which no bodily injury liability bond or policy applies at the time of the accident.
 2. To which a bodily injury liability bond or policy applies at the time of the accident. In this case its limit for bodily injury liability must be less than the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged.
 3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits:
 - a. You or any "family member";
 - b. A vehicle which you or any "family member" are "occupying"; or
 - c. "Your covered auto."
 4. To which a bodily injury liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - a. Denies coverage; or
 - b. Is or becomes insolvent.

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

1. Owned by or furnished or available for the regular use of you or any "family member."
 2. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
 3. Owned by any governmental unit or agency.
 4. Operated on rails or crawler treads.
 5. Designed mainly for use off public roads while not on public roads.
 6. While located for use as a residence or premises.
-

EXCLUSIONS

- A.** We do not provide Uninsured Motorists Coverage for "bodily injury" sustained:
1. By an "insured" while "occupying," or when struck by, any motor vehicle owned by that "insured" which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
 2. By any "family member" while "occupying," or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.
- B.** We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":
1. If that "insured" or the legal representative settles the "bodily injury" claim without our consent.
 2. While "occupying" "your covered auto" when it is being used as a public or livery conveyance. This exclusion (B.2.) does not apply to a share-the-expense car pool.
 3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (B.3.) does not apply to a "family member" using "your covered auto" which is owned by you.
- C.** This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:
1. Workers compensation law; or
 2. Disability benefits law.
- D.** We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.
-

LIMIT OF LIABILITY

- A.** The limit of liability shown in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.

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

1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
1. Part **A** or Part **B** of this policy; or
 2. Any Underinsured Motorists Coverage provided by this policy.
- C.** We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.
- D.** We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:
1. Workers compensation law; or
 2. Disability benefits law.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided under this Part of the policy:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.
 2. Any insurance we provide with respect to a vehicle you do not own shall be excess over any collectible insurance providing coverage on a primary basis.
 3. If the coverage under this policy is provided:
 - a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.
 - b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.
-

ARBITRATION

- A. If we and an "insured" do not agree:
 1. Whether that "insured" is legally entitled to recover damages; or
 2. As to the amount of damages which are recoverable by that "insured";from the owner or operator of an "uninsured motor vehicle," then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.

Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.
 - B. Each party will:
 1. Pay the expenses it incurs; and
 2. Bear the expenses of the third arbitrator equally.
 - C. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding as to:
 1. Whether the "insured" is legally entitled to recover damages; and
 2. The amount of damages. This applies only if the amount does not exceed the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.
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SECTION III - PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

- A. We will pay for direct and accidental loss to "your covered auto" or any "non-owned auto," including their equipment, minus any applicable deductible shown in the Declarations. If loss to more than one "your covered auto" or "non-owned auto" results from the same "collision," only the highest applicable deductible will apply. We will pay for loss to "your covered auto" caused by:
 1. Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
 2. "Collision" only if the Declarations indicate that Collision Coverage is provided for that auto.If there is a loss to a "non-owned auto," we will provide the broadest coverage applicable to any "your covered auto" shown in the Declarations.

B. "Collision" means the upset of "your covered auto" or a "non-owned auto" or their impact with another vehicle or object.

Loss caused by the following is considered other than "collision":

1. Missiles or falling objects;
2. Fire;
3. Theft or larceny;
4. Explosion or earthquake;
5. Windstorm;
6. Hail, water or flood;
7. Malicious mischief or vandalism;
8. Riot or civil commotion;
9. Contact with bird or animal; or
10. Breakage of glass.

If breakage of glass is caused by a "collision," you may elect to have it considered a loss caused by "collision."

C. "Non-owned auto" means:

1. Any private passenger auto, pickup, van or "trailer" not owned by or furnished or available for the regular use of you or any "family member" while in the custody of or being operated by you or any "family member"; or
2. Any auto or "trailer" you do not own while used as a temporary substitute for "your covered auto" which is out of normal use because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing,
 - d. Loss; or
 - e. Destruction.

TRANSPORTATION EXPENSES

A. In addition, we will pay, without application of a deductible, up to a maximum of \$600 for:

1. Temporary transportation expenses not exceeding \$20 per day incurred by you in the event of a loss to "your covered auto". We will pay for such expenses if the loss is caused by:
 - a. Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
 - b. "Collision" only if the Declarations indicate that Collision Coverage is provided for that auto.
2. Expenses for which you become legally responsible in the event of loss to a "non-owned auto". We will pay for such expenses if the loss is caused by:
 - a. Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for any "your covered auto".
 - b. "Collision" only if the Declarations indicate that Collision Coverage is provided for any "your covered auto".

However, the most we will pay for any expenses for loss of use is \$20 per day.

B. If the loss is caused by:

1. A total theft of "your covered auto" or a "non-owned auto", we will pay only expenses incurred during the period:
 - a. Beginning 48 hours after the theft; and
 - b. Ending when "your covered auto" or the "non-owned auto" is returned to use or we pay for its loss.
2. Other than theft of a "your covered auto" or a "non-owned auto", we will pay only expenses beginning when the auto is withdrawn from use for more than 24 hours.

C. Our payment will be limited to that period of time reasonably required to repair or replace the "your covered auto" or the "non-owned auto".

EXCLUSIONS

We will not pay for:

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1. Loss to "your covered auto" or any "non-owned auto" which occurs while it is being used as a public or livery conveyance. This Exclusion (1.) does not apply to a share-the-expense car pool.
2. Damage due and confined to:
 - a. Wear and tear;
 - b. Freezing;
 - c. Mechanical or electrical breakdown or failure; or
 - d. Road damage to tires.

This Exclusion (2.) does not apply if the damage results from the total theft of "your covered auto" or any "non-owned auto".

3. Loss due to or as a consequence of:
 - a. Radioactive contamination;
 - b. Discharge of any nuclear weapon (even if accidental);
 - c. War (declared or undeclared);
 - d. Civil war;
 - e. Insurrection; or
 - f. Rebellion or revolution.
4. Loss to any electronic equipment designed for the reproduction of sound and any accessories used with such equipment. This includes but is not limited to:
 - a. Radios and stereos;
 - b. Tape decks; or
 - c. Compact disc players.

This Exclusion (4.) does not apply to equipment designed solely for the reproduction of sound and accessories used with such equipment, provided:

- a. The equipment is permanently installed in "your covered auto" or any "non-owned auto"; or
 - b. The equipment is:
 - (1) Removable from a housing unit which is permanently installed in the auto;
 - (2) Designed to be solely operated by use of the power from the auto's electrical system; and
 - (3) In or upon "your covered auto" or any "non-owned auto" at the time of loss.
5. Loss to any electronic equipment that receives or transmits audio, visual or data signals and any accessories used with such equipment. This includes but is not limited to:
 - a. Citizens band radios;
 - b. Telephones;
 - c. Two-way mobile radios;
 - d. Scanning monitor receivers;
 - e. Television monitor receivers;
 - f. Video cassette recorders;
 - g. Audio cassette recorders; or
 - h. Personal computers.

This Exclusion (5.) does not apply to:

- a. Any electronic equipment that is necessary for the normal operation of the auto or the monitoring of the auto's operating systems; or
 - b. A permanently installed telephone designed to be operated by use of the power from the auto's electrical system and any accessories used with the telephone.
6. Loss to tapes, records, discs or other media used with equipment described in Exclusions 4. and 5.
 7. A total loss to "your covered auto" or any "non-owned auto" due to destruction or confiscation by governmental or civil authorities.

This Exclusion (7.) does not apply to the interests of Loss Payees in "your covered auto".

8. Loss to:
 - a. A "trailer", camper body, or motor home, which is not shown in the Declarations; or

- b. Facilities or equipment used with such "trailer", camper body or motor home. Facilities or equipment include but are not limited to:
 - (1) Cooking, dining, plumbing or refrigeration facilities;
 - (2) Awnings or cabanas; or
 - (3) Any other facilities or equipment used with a "trailer", camper body, or motor home.

This Exclusion (8.) does not apply to a:

- a. "Trailer", and its facilities or equipment, which you do not own; or
 - b. "Trailer", camper body, or the facilities or equipment in or attached to the "trailer" or camper body, which you:
 - (1) Acquire during the policy period; and
 - (2) Ask us to insure within 14 days after you become the owner.
9. Loss to any "non-owned auto" when used by you or any "family member" without a reasonable belief that you or that "family member" are entitled to do so.
10. Loss to equipment designed or used for the detection or location of radar or laser.
11. Loss to any custom furnishings or equipment in or upon any pickup or van. Custom furnishings or equipment include but are not limited to:
- a. Special carpeting or insulation;
 - b. Furniture or bars;
 - c. Height-extending roofs; or
 - d. Custom murals, paintings or other decals or graphics.

This Exclusion (11.) does not apply to a cap, cover or bedliner in or upon any "your covered auto" which is a pickup.

12. Loss to any "non-owned auto" being maintained or used by any person while employed or otherwise engaged in the "business" of:
- a. Selling;
 - b. Repairing;
 - c. Servicing;
 - d. Storing, or
 - e. Parking;
- vehicles designed for use on public highways. This includes road testing and delivery.
13. Loss to "your covered auto" or any "non-owned auto", located inside a facility designed for racing, for the purpose of:
- a. Competing in; or
 - b. Practicing or preparing for;
- any prearranged or organized racing or speed contest.
14. Loss to, or loss of use of, a "non-owned auto" rented by:
- a. You; or
 - b. Any "family member";
- if a rental vehicle company is precluded from recovering such loss or loss of use, from you or that "family member", pursuant to the provisions of any applicable rental agreement or state law.

LIMIT OF LIABILITY

- A.** Our limit of liability for loss will be the lesser of the:
- 1. Actual cash value of the stolen or damaged property; or
 - 2. Amount necessary to repair or replace the property with other property of like kind and quality.
- However, the most we will pay for loss to:
- 1. Any "non-owned auto" which is a trailer is \$500.
 - 2. Equipment designed solely for the reproduction of sound, including any accessories used with such equipment, which is installed in locations not used by the auto manufacturer for installation of such equipment or accessories, is \$1,000.
- B.** An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss.

- C. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.
-

PAYMENT OF LOSS

We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

1. You; or
2. The address shown in this policy.

If we return stolen property, we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property.

NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a "non-owned auto" shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the "non-owned auto";
 2. Any other applicable physical damage insurance;
 3. Any other source of recovery applicable to the loss.
-

APPRAISAL

A. If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the expenses of the appraisal and umpire equally.

B. We do not waive any of our rights under this policy by agreeing to an appraisal.

SECTION III - PART E - DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.

B. A person seeking any coverage must:

1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
3. Submit, as often as we reasonably require:
 - a. To physical exams by physicians we select. We will pay for these exams.
 - b. To examination under oath and subscribe the same.

4. Authorize us to obtain:
 - a. Medical reports; and
 - b. Other pertinent records.
 5. Submit a proof of loss when required by us.
 - C. A person seeking Uninsured Motorists Coverage must also:
 1. Promptly notify the police if a hit-and-run driver is involved.
 2. Promptly send us copies of the legal papers if a suit is brought.
 - D. A person seeking Coverage for Damage to Your Auto must also:
 1. Take reasonable steps after loss to protect "your covered auto" or any "non-owned auto" and their equipment from further loss. We will pay reasonable expenses incurred to do this.
 2. Promptly notify the police if "your covered auto" or any "non-owned auto" is stolen.
 3. Permit us to inspect and appraise the damaged property before its repair or disposal
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SECTION III - PART F - OTHER PROVISIONS

Bankruptcy

Bankruptcy or insolvency of the "insured" shall not relieve us of any obligations under this policy.

Changes

- A. This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.
- B. If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:
 1. The number, type or use classification of insured vehicles;
 2. Operators using insured vehicles;
 3. The place of principal garaging of insured vehicles;
 4. Coverage, deductible or limits.

If a change resulting from A. or B. requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.

- C. If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph (C.) does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
 1. A subsequent edition of your policy; or
 2. An Amendatory Endorsement.

Fraud

We do not provide coverage for any "insured" who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy.

Legal Action Against Us

- A. No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Part A, no legal action may be brought against us until:
 1. We agree in writing that the "insured" has an obligation to pay; or
 2. The amount of that obligation has been finally determined by judgment after trial.
- B. No person or organization has any right under this policy to bring us into any action to determine the liability of an "insured."

Our Right To Recover Payment

- A.** If we make a payment under this Section and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:
1. Whatever is necessary to enable us to exercise our rights; and
 2. Nothing after loss to prejudice them.
- However, our rights in this paragraph (A.) do not apply under Part D, against any person using "your covered auto" with a reasonable belief that that person is entitled to do so.
- B.** If we make a payment under this Section and the person to or for whom payment is made recovers damages from another, that person shall:
1. Hold in trust for us the proceeds of the recovery; and
 2. Reimburse us to the extent of our payment.

Policy Period and Territory

- A.** This Section applies only to accidents and losses which occur:
1. During the policy period as shown in the Declarations; and
 2. Within the policy territory.
- B.** The policy territory for this Section is:
1. The United States of America, its territories or possessions;
 2. Puerto Rico; or
 3. Canada.

Section III of the policy also applies to loss to, or accidents involving, "your covered auto" while being transported between their ports.

Two or More Auto Policies

If this Section and any other auto insurance policy issued to you by us apply to the same accident, the maximum limit of our liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

ENDORSEMENTS INCLUDED IN SECTION III

PP 03 05 (Ed. 08 86) LOSS PAYABLE CLAUSE

Loss or damage under this policy shall be paid, as interest may appear, to you and the loss payee shown in the Declarations. This insurance, with respect to the interest of the loss payee, shall not become invalid because of your fraudulent acts or omissions unless the loss results from your conversion, secretion or embezzlement of "your covered auto." However, we reserve the right to cancel the policy as permitted by policy terms and the cancellation shall terminate this agreement as to the loss payee's interest. We will give the same advance notice of cancellation to the loss payee as we give to the named insured shown in the Declarations.

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

PP 03 03 (Ed. 04 86) TOWING AND LABOR COSTS COVERAGE

If a premium and limit of liability is shown in the Declarations for this coverage, we will pay towing and labor costs incurred each time "your covered auto" or any "non-owned auto" is disabled, up to the amount shown in the Declarations as applicable to that vehicle. If a "non-owned auto" is disabled, we will provide the broadest towing and labor costs coverage applicable to any "your covered auto" shown in the Declarations. We will only pay for labor performed at the place of disablement.

SECTION IV - GENERAL POLICY CONDITIONS

CHANGES

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- A.** This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. Our request for an appraisal or examination shall not waive any of our rights.
- B.** If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:
1. The number, type or use classification of insured vehicles;
 2. Operators using insured vehicles;
 3. The place of principal garaging of insured vehicles;
 4. Coverage, deductible or limits.
- If a change resulting from A. or B. requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.
- C.** If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph (C.) does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
1. A subsequent edition of your policy; or
 2. An Amendatory Endorsement.
-

PREMIUM

The premium stated in the Declarations is the initial premium for this policy. On each renewal, continuation or anniversary of the effective date of this policy the premium shall be computed by us in accordance with our manuals then in use.

TERMINATION

Cancellation

- A.** You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.
- B.** We may cancel this policy only for the reasons stated below by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. The effective date of cancellation stated in the notice shall become the end of the policy period.

Proof of mailing shall be sufficient proof of notice.

1. When you or your lender if named as a payor on this policy have not paid the premium, whether payable to us or to our agent or under any finance or credit plan, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.
 2. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying you at least 20 days before the date cancellation takes effect.
 3. When this policy has been in effect for 60 days or more or at any time if it is a renewal with us, we will cancel only:
 - a. For nonpayment of premium; or
 - b. If the policy was obtained through material misrepresentation of fact. In this case (3.b.) we will give you notice at least 30 days before the date cancellation takes effect.
- C.** If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

Nonrenewal

We may elect not to renew this policy. We may do so by delivery to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy.

Proof of mailing shall be sufficient proof of notice.

Automatic Termination

If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current period. Failure to pay the required renewal or continuation premium by either you or your lender when due shall mean that you have not accepted our offer.

If you obtain other insurance on "your covered auto," any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance.

D. Other Termination Provisions

1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
 2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.
 3. The effective date of cancellation stated in the notice shall become the end of the policy period.
-

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A.** Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
1. The surviving spouse if a resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; and
 2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use "your covered auto".
- B.** Coverage will only be provided until the end of the policy period.
-

DEDUCTIBLES

If loss or damage arising out of one occurrence involves more than one section of this policy and if the loss or damage under each section exceeds the deductible for that section, only one deduction will be taken. This shall be the highest deductible amount that applies.

UNINSURED MOTORISTS COVERAGE – ARKANSAS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Part C – Uninsured Motorists Coverage is replaced by the following:

SCHEDULE

Uninsured Motorists Coverage	Limit Of Liability	Premium		
		Auto 1	Auto 2	Auto 3
	\$			
	each person			
Bodily Injury And Property Damage	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Bodily Injury Only	\$			
	\$	\$	\$	\$

INSURING AGREEMENT

A. We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of:

1. "Bodily injury" sustained by an "insured" and caused by an accident; and
2. "Property damage" caused by an accident if the Schedule or Declarations indicates that both bodily injury and property damage Uninsured Motorists Coverage applies.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle".

Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

B. "Insured" as used in this endorsement means:

1. You or any "family member".
2. Any other person "occupying" "your covered auto".
3. Any person for damages that person is entitled to recover because of "bodily injury" to which this coverage applies sustained by a person described in 1. or 2. above.

C. "Property damage" as used in this endorsement means injury to or destruction of "your covered auto" (including its loss of use).

D. "Uninsured motor vehicle" means a land motor vehicle or trailer of any type:

1. To which no liability bond or policy applies at the time of the accident.

2. To which a liability bond or policy applies at the time of the accident. In this case its limit for liability must be less than the minimum limit for liability specified by the Arkansas Financial Responsibility Law.

3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits:

- a. You or any "family member";
- b. A vehicle which you or any "family member" are "occupying"; or
- c. "Your covered auto".

4. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:

- a. Denies coverage; or
- b. Is or becomes insolvent within one year of the date of the accident.

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

1. Owned by or furnished or available for the regular use of you or any "family member".
2. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
3. Owned by any governmental unit or agency.
4. Operated on rails or crawler treads.
5. Designated mainly for use off public roads while not on public roads.
6. While located for use as a residence or premises.

UNINSURED MOTORISTS COVERAGE – ARKANSAS

EXCLUSIONS

- A.** We do not provide Uninsured Motorists Coverage for "property damage" or "bodily injury" sustained:
1. By an "insured" while "occupying", or when struck by, any motor vehicle owned by that "insured" which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
 2. By any "family member" while "occupying", or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.
- B.** We do not provide Uninsured Motorists Coverage for "property damage" or "bodily injury" sustained by any "insured":
1. If that "insured" or the legal representative settles the "bodily injury" or "property damage" claim and such settlement prejudices our right to recover payment.
 2. When "your covered auto" is being used as a public or livery conveyance. This Exclusion (**B.2.**) does not apply to a share-the-expense car pool.
 3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (**B.3.**) does not apply to a "family member" using "your covered auto" which is owned by you.
 4. For the first \$200 of the amount of "property damage" to "your covered auto". This Exclusion (**B.4.**) does not apply if:
 - a. We insure "your covered auto" for both collision and property damage Uninsured Motorists Coverage; and
 - b. The operator of the "uninsured motor vehicle" is positively identified and is solely at fault.
- C.** This coverage shall not apply directly or indirectly to benefit:
1. Any insurer or self-insurer under any of the following or similar law:
 - a. Workers' compensation law; or
 - b. Disability benefits law.
 2. Any insurer of property.
- D.** No payment will be made for loss paid or payable to the "insured" under Part **D** of the policy.
- E.** We do not provide Uninsured Motorists Coverage for punitive or exemplary damages which are imposed to:
1. Punish a wrongdoer; and
 2. Deter others from similar conduct.

LIMIT OF LIABILITY

- A.** The limit of Bodily Injury Liability shown in the Schedule or in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of bodily injury liability shown in the Schedule or in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident. The limit of Property Damage Liability, if shown in the Schedule or in the Declarations for each accident for Uninsured Motorists Coverage, is our maximum limit of liability for all "property damage" resulting from any one accident. This is the most we will pay regardless of the number of:
1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Schedule or in the Declarations; or
 4. Vehicles involved in the accident.
- B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
1. Part **A** or Part **B** of this policy; or
 2. Any Underinsured Motorists Coverage provided by this policy.
- C.** We will not make duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.
- D.** We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:
1. Workers' compensation law; or
 2. Disability benefits law.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided by this endorsement:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.

UNINSURED MOTORISTS COVERAGE – ARKANSAS

2. Any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any collectible insurance providing such coverage on a primary basis.

However, we will provide primary insurance for a vehicle you do not own if:

- a. A duly licensed automobile dealer provides a vehicle to you or a "family member":
 - (1) For use as a temporary substitute while "your covered auto" is out of normal use because of its breakdown, repair or servicing; or
 - (2) To demonstrate the vehicle; or
 - b. The vehicle is rented or leased by you or a "family member" from a rental company for a period not more than 90 days.
3. If the coverage under this policy is provided:
 - a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.
 - b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

ARBITRATION

- A. If we and the "insured" do not agree:
 1. Whether that "insured" is legally entitled to recover damages; or
 2. As to the amount of damages which are recoverable by that "insured";from the owner or operator of an "uninsured motor vehicle", then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated. Arbitration will take place only if both we and the "insured" agree, voluntarily, to have the matter arbitrated. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.
- B. Any decision of the arbitrators will not be binding on either party.
- C. Each party will:
 1. Pay the expenses it incurs; and
 2. Bear the expenses of the third arbitrator equally.
- D. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.