

SERFF Tracking Number: INMX-125406107 State: Arkansas
Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
Company Tracking Number: 09AR0108
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: AR Form Revision
Project Name/Number: AR Forms- Policy & App/

Filing at a Glance

Company: InsureMax Insurance Company

Product Name: AR Form Revision

TOI: 19.0 Personal Auto

Sub-TOI: 19.0001 Private Passenger Auto
(PPA)

Filing Type: Form

SERFF Tr Num: INMX-125406107

SERFF Status: Closed

Co Tr Num: 09AR0108

Co Status:

Author: Jennifer Capozziello

Date Submitted: 12/28/2007

State: Arkansas

State Tr Num: #8135 \$250

State Status: Fees verified and
received

Reviewer(s): Alexa Grissom, Betty
Montesi, Brittany Yielding

Disposition Date: 02/19/2008

Disposition Status: Approved

Effective Date (New): 02/19/2008

Effective Date (Renewal):

Effective Date Requested (New): 01/28/2008

Effective Date Requested (Renewal): 02/28/2008

State Filing Description:

They sent a check for two filings in the amount of \$100 and Serff numbers are INMX-125410146 and INMX-125406107.

General Information

Project Name: AR Forms- Policy & App

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 02/19/2008

State Status Changed: 01/14/2008

Corresponding Filing Tracking Number:

Filing Description:

We are filing a revision to our Arkansas Private Passenger Automobile Program. This revision contains our forms.

We cordially request an effective date of January 28, 2008 for new business and February 28, 2008 for renewal business.

Please contact me directly at (877) 858-4100 ext. 277 with any questions regarding this filing.

Sincerely,

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

SERFF Tracking Number: INMX-125406107 State: Arkansas
Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
Company Tracking Number: 09AR0108
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: AR Form Revision
Project Name/Number: AR Forms- Policy & App/

Jennifer Capozziello
Product Analyst

Company and Contact

Filing Contact Information

Jennifer Capozziello, Product Analyst
4976 SR 261
Newburgh, IN 47630

jcapozziello@insuremax.net
(812) 858-4100 [Phone]
(812) 858-4124[FAX]

Filing Company Information

InsureMax Insurance Company
4976 SR 261
PO Box 607
Newburgh, IN 47630
(812) 858-4100 ext. 277[Phone]

CoCode: 10922
Group Code:

State of Domicile: Indiana
Company Type:

Group Name:
FEIN Number: 35-2042563

State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

SERFF Tracking Number: INMX-125406107 State: Arkansas
 Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
 Company Tracking Number: 09AR0108
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: AR Form Revision
 Project Name/Number: AR Forms- Policy & App/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Alexa Grissom	02/19/2008	02/19/2008

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	02/15/2008	02/15/2008	Jennifer Capozziello	02/15/2008	02/15/2008
Pending Industry Response	Alexa Grissom	02/07/2008	02/07/2008	Jennifer Capozziello	02/08/2008	02/08/2008
Pending Industry Response	Alexa Grissom	01/14/2008	01/14/2008	Jennifer Capozziello	01/22/2008	01/22/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Additionally, please explain what policy would afford liability in an instance where Exclusion 25 of the Liability section would apply.	Note To Reviewer	Jennifer Capozziello	02/08/2008	02/08/2008
Please advise us of the page number of the policy that brings it into compliance with Ark. Code Ann. 23-89-212.	Note To Reviewer	Jennifer Capozziello	02/08/2008	02/08/2008

SERFF Tracking Number: INMX-125406107 *State:* Arkansas
Filing Company: InsureMax Insurance Company *State Tracking Number:* #8135 \$250
Company Tracking Number: 09AR0108
TOI: 19.0 Personal Auto *Sub-TOI:* 19.0001 Private Passenger Auto (PPA)
Product Name: AR Form Revision
Project Name/Number: AR Forms- Policy & App/

SERFF Tracking Number: INMX-125406107 *State:* Arkansas
Filing Company: InsureMax Insurance Company *State Tracking Number:* #8135 \$250
Company Tracking Number: 09AR0108
TOI: 19.0 Personal Auto *Sub-TOI:* 19.0001 Private Passenger Auto (PPA)
Product Name: AR Form Revision
Project Name/Number: AR Forms- Policy & App/

Disposition

Disposition Date: 02/19/2008

Effective Date (New): 02/19/2008

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: INMX-125406107 State: Arkansas
 Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
 Company Tracking Number: 09AR0108
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: AR Form Revision
 Project Name/Number: AR Forms- Policy & App/

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Form (revised)	AR Personal Auto Policy rev.	Approved	Yes
Form	AR Personal Auto Policy	Accepted for Informational Purposes	Yes
Form	AR Personal Auto Policy	Accepted for Informational Purposes	Yes
Form	AR Personal Auto Policy	Accepted for Informational Purposes	Yes
Form	AR Personal Auto Application	Approved	Yes

SERFF Tracking Number: INMX-125406107 State: Arkansas
 Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
 Company Tracking Number: 09AR0108
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: AR Form Revision
 Project Name/Number: AR Forms- Policy & App/

Objection Letter

Objection Letter Status Pending Industry Response
 Objection Letter Date 02/15/2008
 Submitted Date 02/15/2008
 Respond By Date

Dear Jennifer Capozziello,

This will acknowledge receipt of the captioned filing. Exclusion 25 must be deleted for the filing to be approved.

Please feel free to contact me if you have questions.

Sincerely,
 Alexa Grissom

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 02/15/2008
 Submitted Date 02/15/2008

Dear Alexa Grissom,

Comments:

Response 1

Comments: Exclusion 25 in the Liability Section has been deleted. Please note that the PDF form name remains the same.

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
AR Personal Auto	PAP 2/08	2/15/08	Policy/Coverage Form	Replaced	03AR030741		AR PAP

SERFF Tracking Number: INMX-125406107 State: Arkansas
 Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
 Company Tracking Number: 09AR0108
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: AR Form Revision
 Project Name/Number: AR Forms- Policy & App/
 Policy rev. (2-2008)
 full
 page.pdf

Previous Version

AR Personal Auto Policy	PAP 2/08 2/08	Policy/Coverage Form	Replaced	03AR030741	AR PAP (2-2008) full page.pdf
AR Personal Auto Policy	PAP 12/0712/07	Policy/Coverage Form	Replaced	03AR030741	AR PAP (12-2007) full page.pdf
AR Personal Auto Policy	PAP 12/0712/07	Policy/Coverage Form	Replaced	03AR030741	AR PAP (12-2007) full page.pdf

SERFF Tracking Number: INMX-125406107

State: Arkansas

Filing Company: InsureMax Insurance Company

State Tracking Number: #8135 \$250

Company Tracking Number: 09AR0108

TOI: 19.0 Personal Auto

Sub-TOI: 19.0001 Private Passenger Auto (PPA)

Product Name: AR Form Revision

Project Name/Number: AR Forms- Policy & App/

No Rate/Rule Schedule items changed.

Sincerely,
Jennifer Capozziello

SERFF Tracking Number: INMX-125406107 State: Arkansas
Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
Company Tracking Number: 09AR0108
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: AR Form Revision
Project Name/Number: AR Forms- Policy & App/

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 02/07/2008
Submitted Date 02/07/2008
Respond By Date

Dear Jennifer Capozziello,

This will acknowledge receipt of the captioned filing. Please advise us of the page number of the policy that brings it into compliance with Ark. Code Ann. 23-89-212.

Additionally, please explain what policy would afford liability in an instance where Exclusion 25 of the Liability section would apply.

SERFF indicated that the newest version of the policy was no different than the one previously filed; please clarify.

Please feel free to contact me if you have questions.

Sincerely,
Alexa Grissom

Response Letter

Response Letter Status Submitted to State
Response Letter Date 02/08/2008
Submitted Date 02/08/2008

Dear Alexa Grissom,

Comments:

Response 1

Comments: The file name was changed for the Auto Policy

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

SERFF Tracking Number: INMX-125406107 State: Arkansas
 Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
 Company Tracking Number: 09AR0108
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: AR Form Revision
 Project Name/Number: AR Forms- Policy & App/

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
AR Personal Auto Policy	PAP 2/08	2/08	Policy/Coverage Form	Replaced	03AR030741		AR PAP (2-2008) full page.pdf
Previous Version							
AR Personal Auto Policy	PAP 12/07	12/07	Policy/Coverage Form	Replaced	03AR030741		AR PAP (12-2007) full page.pdf
AR Personal Auto Policy	PAP 12/07	12/07	Policy/Coverage Form	Replaced	03AR030741		AR PAP (12-2007) full page.pdf

No Rate/Rule Schedule items changed.

Sincerely,
Jennifer Capozziello

SERFF Tracking Number: INMX-125406107 State: Arkansas
Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
Company Tracking Number: 09AR0108
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: AR Form Revision
Project Name/Number: AR Forms- Policy & App/

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 01/14/2008
Submitted Date 01/14/2008
Respond By Date

Dear Jennifer Capozziello,

This will acknowledge receipt of the captioned filing. Please advise if your are in compliance with Ark. Code Ann. 23-89-212. Please provide a claims scenario for Exclusion 25 in the Liability Section of the policy and advise of your specific intent. Additionally, a similar explanation of Exclusion 19 on Page 24 must be provided. Lastly, please advise how Amendment 4 of NOP0698 would comply with Ark. Code Ann. 23-89-404.

Please feel free to contact me if you have questions.

Sincerely,
Alexa Grissom

Response Letter

Response Letter Status Submitted to State
Response Letter Date 01/22/2008
Submitted Date 01/22/2008

Dear Alexa Grissom,

Comments:

Response 1

Comments: Please advise if your are in compliance with Ark. Code Ann. 23-89-212.

Yes, we are in compliance.

Please provide a claims scenario for Exclusion 25 in the Liability Section of the policy and advise of your specific intent.

This exclusion would apply if an insured person is operating a vehicle in which they do not own and the owner of the vehicle is a passenger at the time of the loss. The vehicle owner's injury claim is excluded if they sustain an injury.

Additionally, a similar explanation of Exclusion 19 on Page 24 must be provided.

The intent of this exclusion is to exclude coverage when a covered auto is being operated by anyone who does not have a reasonable belief that they have the authority to use the vehicle. This includes the use of a covered auto by any

SERFF Tracking Number: INMX-125406107 State: Arkansas
 Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
 Company Tracking Number: 09AR0108
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: AR Form Revision
 Project Name/Number: AR Forms- Policy & App/

person that is not properly licensed, because as an unlicensed or improperly licensed driver, they have no reasonable belief that they are entitled to operate a vehicle on the roadway.

Lastly, please advise how Amendment 4 of NOP0698 would comply with Ark. Code Ann. 23-89-404.

This has been deleted in its entirety. Please see the new Auto Policy.

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
<i>AR Personal Auto Policy</i>	<i>PAP</i>	<i>12/0712/07</i>	<i>Policy/Coverage Form</i>	<i>Replaced</i>	<i>03AR030741</i>		AR PAP (12-2007) full page.pdf
Previous Version							
<i>AR Personal Auto Policy</i>	<i>PAP</i>	<i>12/0712/07</i>	<i>Policy/Coverage Form</i>	<i>Replaced</i>	<i>03AR030741</i>		AR PAP (12-2007) full page.pdf

No Rate/Rule Schedule items changed.

Sincerely,
 Jennifer Capozziello

SERFF Tracking Number: INMX-125406107 State: Arkansas
Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
Company Tracking Number: 09AR0108
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: AR Form Revision
Project Name/Number: AR Forms- Policy & App/

Note To Reviewer

Created By:

Jennifer Capozziello on 02/08/2008 10:07 AM

Subject:

Additionally, please explain what policy would afford liability in an instance where Exclusion 25 of the Liability section would apply.

Comments:

The vehicle owner's policy would be primary since insurance follows the vehicle then the driver. The injured owner would be able to file a bodily injury claim under his own liability policy. However, our policy would not provide any additional coverage for bodily injury to the injured owner.

SERFF Tracking Number: INMX-125406107 State: Arkansas
Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
Company Tracking Number: 09AR0108
TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: AR Form Revision
Project Name/Number: AR Forms- Policy & App/

Note To Reviewer

Created By:

Jennifer Capozziello on 02/08/2008 10:05 AM

Subject:

Please advise us of the page number of the policy that brings it into compliance with Ark. Code Ann. 23-89-212.

Comments:

Please refer to Part 1 "Liability" page 12 "Out of State Insurance" and Part V "General Provision" page 37 "Policy Period, Territory".

SERFF Tracking Number: INMX-125406107 State: Arkansas
 Filing Company: InsureMax Insurance Company State Tracking Number: #8135 \$250
 Company Tracking Number: 09AR0108
 TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
 Product Name: AR Form Revision
 Project Name/Number: AR Forms- Policy & App/

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	AR Personal Auto Policy rev.	PAP 2/08	2/15/08	Policy/Coverage Form Replaced	Replaced Form #:41.102/07 Previous Filing #:03AR0307		AR PAP (2-2008) full page.pdf
Approved	AR Personal Auto Application	FM-ARA0108	0108	Application/Binder/Enrollment Replaced	Replaced Form #:0.00FM-ARA0607 Previous Filing #:05AR0507		FM-ARA0108 AR App.pdf

INDEX

	PAGE
AGREEMENT	
Definitions Used Throughout This Policy	3-6
PART I – LIABILITY	
Coverage A- Liability Coverage Insuring Agreement	6-7
Additional Definitions Used In This Part Only	7
Additional Payments	7-8
Exclusions	8-10
Federal Tort Claims Act Exclusion	10
Conformity With State Financial Responsibility Laws	10-11
Out of State Insurance	11
Limits of Liability	11-12
Other Insurance	12-13
Right of Direct Action	13
PART II—PERSONAL INJURY PROTECTION COVERAGE	
Coverage B- Personal Injury Protection Coverage Insuring Agreements	
Medical and Hospital Benefits Coverage Insuring Agreement	13
Income Disability Benefits Coverage Insuring Agreement	14
Accidental Death Benefits Coverage Insuring Agreement	14
Additional Definitions Used In This Part Only	14-15
Exclusions	15-16
Limits of Liability	17
Other Insurance	17-18
PART III—UNINSURED/UNDERINSURED MOTORISTS	
Coverage C- Uninsured/Underinsured Motorists Coverage Insuring Agreement	18-19
Additional Definitions Used In This Part Only	19-21
Exclusions	21-23
Limits of Liability	23-26
Other Insurance	26-27
Trust Agreement	27-28
Arbitration	28-29

PART IV—CAR DAMAGE

Coverage D- Car Damage Coverage	
Insuring Agreement	29
Loss Settlement	29
Additional Definitions Used In This Part	
Only	29-31
Car Storage Coverage	31
Exclusions	31-33
Limit of Liability	33-34
Other Insurance	34
Appraisal	34-35
No Benefit To Bailee	35

PART V – GENERAL PROVISIONS

Notice To Company	35
Policy Period, Territory	35
Changes In Your Policy	35-36
Terms of Policy Conformed to Statutes	36
Suits Against Us	36
Our Recovery Rights	36-37
Joint & Individual Interests	38
Assignment	38
Bankruptcy	38
Payment of Premium	38-39
Cancellation and Non-Renewal	39-40
Automatic Termination	41
Fraud and Misrepresentation	41-42

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

Notice of Accident or Loss	42
Other Duties	42-43
Uninsured/Underinsured Motorists	43
Car Damage	44

**TOWING AND LABOR COVERAGE
ENDORSEMENT**

	44
--	----

**RENTAL REIMBURSEMENT
COVERAGE ENDORSEMENT**

	45
--	----

**ADDITIONAL INSURED-LEASED
MOTOR VEHICLES**

	46
--	----

LOSS PAYABLE CLAUSE

	46-47
--	-------

NOTICE TO POLICYHOLDERS

	48
--	----

AGREEMENT

We agree with **you**, in return for **your** premium payment, to insure **you** subject to the terms of this policy. **We** will insure **you** for the coverages and Limits of Liability for which a premium is shown in the Declarations of this policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

- (1) **“We,” “us,” and “our”** mean the Company providing this insurance.
- (2) **“You” and “your”** mean the Policyholder named in the Declarations and spouse if living in the same household.
- (3) **“Auto business”** means the **business** or occupation of selling, leasing, repairing, servicing, delivering, testing, storing or parking cars.
- (4) **“Bodily injury”** means bodily harm, sickness, disease or death, but does not include emotional distress, mental injury or any similar injury.
- (5) **“Business”** includes trade, profession, or occupation.
- (6) **“Car”** means a licensed and registered automobile of the private passenger type designed for use upon a public road. **“Car”** also means a vehicle with a load capacity of 1,500 pounds or less of the pick-up or van type not used in any **business**. This definition shall not include:
 - (a) motorcycles;
 - (b) midget cars;
 - (c) golf mobiles;
 - (d) tractors;
 - (e) farm machinery;
 - (f) any vehicle operated on rails or crawler treads;
 - (g) any vehicle used as a residence or premises; or
 - (h) go carts.
- (7) **“Crime”** means any felony and any act of eluding the police.

- (8) “**Depreciation**” means decline of value due to wear and tear or obsolescence.
- (9) “**Diminution in value**” means the actual or perceived loss in market or resale value of property, which results from a **loss**.
- (10) “**Loaner Vehicle**” means a **car** operated by **you** that is:
 - (a) loaned to **you** by a duly licensed automobile dealer:
 - (i) as a temporary substitute for **your insured car** while **your insured car** is out of use because of its breakdown, repair or servicing, or
 - (ii) for use as a demonstration vehicle.
 - (b) rented or leased from a rental company that is in the business of providing primary private passenger vehicles to the public under a written rental agreement for a period not to exceed 90 days.
- (11) “**Loss**” means sudden, direct, and accidental loss or damage, arising out of the ownership, maintenance or use of a motor vehicle.
- (12) “**Non-owned car**” means a **car** used by **you** with the express permission of the owner and not owned by, furnished, or available for the regular use of **you**, a **relative**, or a **resident**.
- (13) “**Occupying**” means in, on, getting into or out of.
- (14) “**Private passenger car**” means a **car** of the private passenger type with not less than four wheels. This definition shall not include a van or pick-up truck.
- (15) “**Punitive or Exemplary Damages**” means damages which may be imposed to punish a wrongdoer and to deter others from similar conduct.
- (16) “**Property damage**” means damage to or destruction of tangible property, including loss of its use.
- (17) “**Racing**” means preparation for any **racing**, speed, off-road, demolition or stunting contest or activity. **Racing** also includes

participation in the event itself, whether or not such event, activity or contest is organized.

- (18) “**Relative**” means a person living in **your** household and related to **you** by blood, marriage or adoption, including a ward or foster child. Any **relative** 15 years of age or older must be disclosed to **us** in the application or other writing.
- (19) “**Resident**” means a person, other than a **relative**, living in **your** household. Any **resident** 15 years of age or older must be disclosed to **us** in the application or other writing.
- (20) “**Sound Reproducing Equipment**” means any electronic equipment, antennas, and any other devices used exclusively to send or receive audio, visual, or data signals, or to play back recorded media, other than those which were installed by the vehicle manufacturer as a part of a standard option package.
- (21) “**State**” means the District of Columbia and any **state** of the United States of America.
- (22) “**Utility trailer**” means a vehicle designed to be towed by a **private passenger car**.
- (23) “**Your insured car**” means:
- (a) the **car** owned by **you** described in the Declarations.
 - (b) a **car** you acquire during the policy period. The **car** must replace the **car** described in the Declarations. It will have the same coverages as the **car** it replaced with the exception of Car Damage Coverage. If you want Car Damage Coverage to apply to the replacement **car**, **you** must notify **us** within 30 days of the date **you** acquire it.

When **you** ask **us** to add Car Damage Coverage for the replacement **car**, such coverage will be in effect no earlier than the time and day on which you ask us to

add the coverage. If **you** ask **us** to add Car Damage Coverage in writing, the coverage will not be in effect until 12:01 A.M. on the day following the date of the postmark shown on the envelope containing your request. If a postage meter is used on the envelope containing **your** request to add Car Damage Coverage, coverage will be in effect no earlier than the time and day **your** request is received by **us**. All insurance for the **car** being replaced is ended when **you** take delivery of the replacement **car**.

- (c) a **car you** acquire during the policy period if it is in addition to any **car** described in the Declarations. **We** will provide the same coverages, exclusive of Car Damage Coverage, that **we** currently provide for any **car** shown on the Declarations.

These provisions apply only if, on the date **you** acquired the additional **car**, **we** insure all cars **you** own, and **you** ask **us** to insure the additional **car** within 30 days of the date **you** acquire it.

- (d) any substitute **car** or **utility trailer** not owned by **you**, a **relative**, or a **resident** being temporarily used by **you** with the express permission of the owner. The **car** must be a substitute for another **car** covered which is withdrawn from normal use due to breakdown, repair, servicing, **loss** or destruction.

For purposes of this policy, any **car** leased by **you** under a written agreement for a continuous period of at least six months shall be deemed to be owned by **you**.

PART I – LIABILITY

COVERAGE A – LIABILITY COVERAGE INSURING AGREEMENT

We will pay compensatory damages for **bodily injury** or **property damage** for which an **insured person** is legally liable because of the ownership or use of **your insured car** or a **non-owned car**.

Damages include prejudgment interest awarded against an **insured person**. The **bodily injury** or **property damage** must be caused by an auto accident.

This policy doesn't afford coverage and will not pay **punitive or exemplary damages**.

We will defend any suit or settle any claim for damages as we think appropriate.

Our duty to defend ends when our limit of liability for this coverage has been exhausted, whether through settlement or through our tender or interpleading our remaining limit of liability to a court. We have no duty to defend any suit or settle any claim for bodily injury or property damage not covered under this policy, or once we have settled or tendered or interplead our remaining limit of liability to a court.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part, "**insured person**" means:

- (1) **you**;
- (2) a **relative** or **resident** using **your insured car** with express permission from **you**;
- (3) a **relative** or **resident** using a **non-owned car** with the express permission of the owner and not owned by, furnished or available for the regular use of **you, a relative, or a resident**;
- (4) any person other than **you, a relative, or a resident** using **your insured car** with express permission from **you**.

ADDITIONAL PAYMENTS

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

- (1) all costs we incur in the settlement of a claim or defense of a suit.
- (2) all costs assessed against **you** in **our** defense of a suit.

- (3) interest on damages awarded in a suit **we** defend accruing after a judgment is entered. **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) any other reasonable expenses incurred at **our** request.

EXCLUSIONS

We do not provide coverage for **bodily injury** or **property damage**:

- (1) resulting from the ownership or use of a vehicle when used to carry persons or property for a charge. This includes rental of **your insured car** to others. This exclusion does not apply to shared expense **car** pools.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes, but is not limited to, mail, newspaper, floral, and food delivery.
- (3) caused intentionally by or at the direction of an **insured person**. The expected and unexpected results of these acts are not covered.
- (4) for which a person is an insured under a nuclear energy liability insurance policy. This exclusion applies even if the limits of that policy are exhausted.
- (5) to an employee of an **insured person** arising in the course of employment by an **insured person**. Coverage does apply to a domestic employee unless workers' compensation benefits are required or available for that employee.
- (6) resulting from the ownership or use of a vehicle by any person or **insured person** while that person is employed or otherwise engaged in a **business**. This exclusion does not include the use of **your insured car**:
 - (a) to carry tools and supplies between **your** home and job site; or
 - (b) by sales representatives, or members of the clergy.

- (7) to property owned or being transported by **you**, a **relative**, or **resident**.
- (8) to property rented to, used by, or in the care of **you**, a **relative**, or **resident**, except a residence or private garage.
- (9) resulting from the ownership, maintenance, or use of a motorized vehicle with more or less than four wheels.
- (10) arising out of the ownership or use of any vehicle, other than **your insured car**, which is owned by or available for regular use by **you**, a **relative** or **resident**.
- (11) resulting from the use of any vehicle for **racing**.
- (12) assumed by an **insured person** under any contract or agreement.
- (13) arising out of the ownership, maintenance or use of a **car** when rented or leased to others by any **insured person**.
- (14) incurred while the **car** is used for towing a trailer designed for use with other than a **private passenger car**.
- (15) resulting from the use of a **car** by a person specifically excluded.
- (16) due to or resulting from war, insurrection, rebellion, riot, or revolution.
- (17) arising out of the use of:
 - (a) **your insured car** by a person, including an **insured person**, without **your** express permission; or
 - (b) a **car** by any person, including an **insured person**, without the owner's express permission.
- (18) resulting from the use of a vehicle, by any person, including an **insured person**, without a reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably

believe that he or she is entitled to operate a vehicle.

- (19) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (20) arising out of actual, alleged, or threatened discharge, dispersal, release, or escape of any pollutant except if it is sudden and accidental and arises directly from **collision of your insured car**.
- (21) for any amount in excess of the minimum financial responsibility laws of the **state** where the accident occurs, or the **state** of Arkansas, whichever is higher, while the **insured person** is in the commission of a **crime**.
- (22) to any **insured person**.
- (23) for **punitive or exemplary damages**.
- (24) arising out of the operation of farm machinery.
- (25) sustained by any person, this includes an **insured person**, while using or operating **your insured car** while engaged in the **business** of selling, leasing, repairing, servicing, parking, or storing motor vehicles. This includes testing, road testing, and delivery.

FEDERAL TORT CLAIMS ACT EXCLUSION

The following are not **insured persons** under Part I - Liability of the policy:

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

CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS

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

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

OUT OF STATE INSURANCE

If **you** are traveling in a **state** that has compulsory motor vehicle insurance requirements for non-residents, **we** will automatically provide the required liability insurance. **We** will not provide any coverage under the no-fault law or any other similar law of any other **state**.

LIMITS OF LIABILITY

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

- (1) the **bodily injury** liability limits for “each person” is the maximum **we** will pay as damages for **bodily injury** to one person in one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
- (2) subject to the **bodily injury** liability limit for “each person,” the **bodily injury** liability limit for “each accident” is the maximum **we** will pay as damages for all **bodily injury** to two or more persons in any one accident, including, but not limited to derivative claims of a **relative**, such as loss of consortium, loss of services or emotional damages.
- (3) the **property damage** liability limit for “each accident” is the maximum **we** will pay for all damages to property in one accident.
- (4) all **bodily injury** or **property damage** limits are subject to Exclusion (21), if applicable.

The “each person” limit of liability includes the total of all claims made for **bodily injury** to a person and all claims of others, if allowed by law, that derive from such **bodily injury**, including but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium and wrongful death.

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

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

- (1) **insured persons**;
- (2) claims made;
- (3) claimants;
- (4) policies;
- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown in the Declarations or premiums paid, the limits for any coverage under this policy may not be added to the limits for similar coverage applying to other motor vehicles to determine the limit of insurance coverage available for bodily injury or property damage sustained in any one accident.

We will reduce any amount payable under this coverage to an injured person by any amount paid to that person under Part II Personal Injury Protection Coverage and Part III - Uninsured/Underinsured Motorists Coverage of this policy.

A **car** and **utility trailer**, whether attached or not, are considered one vehicle. Therefore, the limits of liability will not be increased for a **loss** including both.

OTHER INSURANCE

If there is other applicable liability insurance on a **loss** covered by this Part, **we** will pay only **our** share. **Our** share is the proportion that **our** limits of liability bear to the total of all applicable limits. However, if there is other valid and collectible insurance on a **loss** covered by this part for a vehicle **you** do not own, no coverage or benefits will be afforded.

No insurance is afforded on newly acquired vehicles if there is other valid and/or collectible insurance.

Any insurance **we** provide for a **loaner vehicle** will be primary over any applicable insurance provided by a policy issued to the owner of the **loaner vehicle** for liability arising out of **your** use of the **loaner vehicle**.

RIGHT OF DIRECT ACTION

Any person entitled to payment of damages covered under this Part I, or his or her personal representative, shall be subrogated to the right of the person shown as the named insured on the Declarations Page for payment under this Part I. If a judgment against an **insured person** remains unsatisfied after thirty (30) days from the date notice of entry of judgment was served on either the **insured person**, the attorney for the **insured person**, or **us**, the injured person, or his or her personal representative, may maintain an action against **us** for the amount of the judgment not exceeding **our** Limits of Liability.

PART II – PERSONAL INJURY PROTECTION COVERAGE

COVERAGE B—PERSONAL INJURY PROTECTION COVERAGE INSURING AGREEMENTS

MEDICAL AND HOSPITAL BENEFITS COVERAGE INSURING AGREEMENT

Subject to the Limit of Liability shown on the Declarations Page, if **you** pay a premium for Medical and Hospital Benefits Coverage, **we** will pay for reasonable and necessary expenses, incurred within two (2) years from the date of a **loss**, for medical, hospital, nursing, dental, surgical, ambulance, funeral and prosthetic services because of **bodily injury**;

- (1) sustained by an **insured person**;
- (2) caused by a **loss**; and
- (3) arising out of the ownership, maintenance or use of a motor vehicle.

Medical and Hospital Benefits Coverage includes payment for non-medical remedial care and treatment rendered in accordance with a recognized religious method of healing. Payment for hospital room charges shall be limited to the amount charged for semiprivate accommodations.

**INCOME DISABILITY BENEFITS COVERAGE
INSURING AGREEMENT**

Subject to **our** Limit of Liability, if **you** pay a premium for Income Disability Benefits Coverage, **we** will pay for **income disability benefits** because of **bodily injury**:

- (1) sustained by an **insured person**;
- (2) caused by a **loss**; and
- (3) arising out of the ownership, maintenance or use of a motor vehicle.

No payment for **income disability benefits** shall be made for any period following the death of the **insured person**.

**ACCIDENTAL DEATH BENEFITS COVERAGE
INSURING AGREEMENT**

If **you** pay a premium for Accidental Death Benefits Coverage, **we** will pay the amount stated on the Declarations Page for Accidental Death Benefits Coverage if an **insured person** dies within one (1) year of the date of a **loss** because of **bodily injury**:

- (1) caused by a **loss**; and
- (2) arising out of the ownership, maintenance or use of a motor vehicle.

**ADDITIONAL DEFINITIONS USED IN THIS
PART ONLY**

When used in this Part II:

- (1) “**Insured person**” and “**insured persons**” mean:
 - (a) **you** or any **relative**; and
 - (b) any other person:
 - (i) while **occupying your insured car**; or
 - (ii) when struck by **your insured car** while a pedestrian, bicyclist, or motorcyclist, or while riding on an animal or in a horse-drawn wagon or cart.
- (2) “**Income disability benefits**” means loss of income from work the **insured person** would have earned, during the period beginning eight (8) days from the date of the **loss** and not exceeding fifty-two (52) weeks, had the **insured person** not sustained **bodily injury**. If the

insured person did not earn income from work at the time of the **loss**, **income disability benefits** means expenses reasonably incurred, during the period beginning eight (8) days from the date of the **loss** and not exceeding fifty-two (52) weeks, to obtain essential services in lieu of those the **insured person** would have performed, without income, for the benefit of the **insured person** or his or her family, had the **insured person** not sustained **bodily injury**.

EXCLUSIONS

The coverages provided under this Part II do not apply to **bodily injury**:

- (1) sustained by any person, other than **you** or a **relative**, who is a named insured or additional insured under any other valid and collectible automobile insurance policy providing the minimum personal injury protection coverages required by law.
- (2) sustained by any person who intentionally caused such **bodily injury**. The expected and unexpected results of these acts are not covered.
- (3) sustained by any person while in the commission of a **crime**.
- (4) to the extent benefits are paid or payable under any workers' compensation law, disability benefits law or similar law. However, this exclusion does not apply to Accidental Death Benefits Coverage.
- (5) sustained by any person while using or **occupying** any motor vehicle **owned** by **you**, other than **your insured car**.
- (6) sustained by a **relative** while using or **occupying** any motor vehicle **owned** by that **relative**, other than **your insured car**.
- (7) sustained by any person arising from the use of a motor vehicle as a residence or premises.
- (8) sustained while **occupying** a motor vehicle while being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, or any other products. This exclusion does not apply to shared expense **car** pools.

- (9) arising out of a **loss** involving a motor vehicle while being used by any person while employed or engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using **your insured car**.
- (10) due to a nuclear reaction or radiation.
- (11) for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of that policy are exhausted.
- (12) sustained by any person while **occupying your insured car** without the express permission of **you** or a **relative**.
- (13) sustained by **you** or a **relative** while **occupying a non-owned car** without the express permission of the owner.
- (14) due to war, declared or undeclared, civil war, insurrection, rebellion or revolution or any act or condition incident to any of the above.
- (15) sustained while **occupying** any motor vehicle having more or less than four wheels.
- (16) resulting from the use of any vehicle for **rac**ing.
- (17) arising out of the ownership or use of any vehicle, other than **your insured car** which is owned by or available for regular use by **you**, a **relative**, or a **resident**.
- (18) resulting from the use of a **car** by a person specifically excluded.
- (19) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (20) resulting from the use of a vehicle, by any person, including an **insured person**, without a reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a vehicle.

LIMITS OF LIABILITY

The Limit of Liability for Medical and Hospital Benefit Coverage and the Limit of Liability for Accidental Death Benefits Coverage are both shown on the Declarations page.

Our Limit of Liability for Income Disability Benefits Coverage is as follows:

- (1) If the **insured person** earned income from work at the time of the **loss**, **we** will pay no more than 70% of loss of gross income per week, not to exceed \$140 per week or pro rata for a shorter period.
- (2) If the **insured person** did not earn income from work at the time of the **loss**, **we** will pay no more than \$70 per week, or pro rata for a shorter period.

The Limits of Liability for the coverages provided under this Part II represent the most **we** will pay for each **insured person** injured in any one accident, regardless of the number of:

- (1) **insured persons**;
- (2) claims made;
- (3) claimants;
- (4) policies;
- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

The total damages recoverable under this Part II shall be reduced by any payment to that person for the same elements of damages under Part I - Liability and Part III—Uninsured/Underinsured Motorist Coverage.

OTHER INSURANCE

- (1) With respect to **bodily injury** sustained by a **relative**, any Medical and Hospital Benefits Coverage or Income Disability Benefits Coverage afforded by this Part II shall be excess over any other similar coverage provided by a motor vehicle insurance policy under which the **relative** is a named insured.
- (2) If **you** or a **relative** are insured under any other motor vehicle insurance policy providing

coverage for **income disability benefits** or similar coverage, the most that **you** or a **relative** may recover for **income disability benefits** shall not exceed the amount payable under the policy providing the highest limits of liability.

- (3) No coverage will be provided under this Part II for any person, other than **you** or a **relative**, who is a named insured or additional insured under any other valid and collectible motor vehicle insurance policy providing the minimum personal injury protection coverages required by law.

Subject to 1, 2, and 3 above, if there is other applicable personal injury protection 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 coverage provided under this Part II arising out of the operation of a **loaner vehicle** by **you** will be primary over any applicable insurance provided by a policy issued to the owner of the **loaner vehicle** for personal injury protection insurance.

No one shall be entitled to recover duplicate payments for **income disability benefits** or medical and hospital benefits under this or any other motor vehicle insurance policy.

PART III – UNINSURED/UNDERINSURED MOTORISTS

COVERAGE C— UNINSURED/UNDERINSURED MOTORISTS COVERAGE INSURING AGREEMENT

We will pay compensatory damages which an **insured person** is legally entitled to recover from the owner or operator of an:

- (1) **Uninsured or Underinsured motor vehicle** because of **bodily injury**;
- (a) sustained by an **insured person**; and
 - (b) caused by an accident.
- (2) **Uninsured motor vehicle** because of **property**

damage caused by an accident arising out of actual physical contact with **your insured car** if the Declarations indicate Uninsured Motorists Property Damage Coverage applies.

The owner's or operator's liability for these damages must be caused by an accident and arise out of the ownership, maintenance, or use of the **uninsured or underinsured motor vehicle**.

We will pay damages under this coverage caused by an accident with an **underinsured motor vehicle** only if the limits of liability under any applicable bodily injury liability bonds or policies have been exhausted by payments of judgments or settlements.

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

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part:

- (1) **"Insured person"** means:
 - (a) **you**;
 - (b) a **relative** who does not own a **car**;
 - (c) a **relative** who owns a **car**, but only while **occupying your insured car**;
 - (d) any other person occupying your **insured car** with the express permission of **you**.
- (2) **"Property damage"** means injury to or destruction of:
 - (a) **your insured car**, including loss of use;
or
 - (b) any property owned by an **insured person** while contained in **your insured car** at the time of the **loss**.
- (3) **Underinsured motor vehicle** means a land motor vehicle to which a **bodily injury** liability bond or policy applies at the time of the accident, but its limit of liability for **bodily injury** is less than the amount of the **insured person's** damages.

However, **underinsured motor vehicle** does not

include:

- (a) an **uninsured motor vehicle**.
 - (b) any vehicle or equipment owned or operated by a self-insurer under any applicable motor vehicle law.
 - (c) any vehicle or equipment owned by any governmental unit or agency.
 - (d) a vehicle insured under the liability coverage of the same policy of which this Underinsured Motorists Coverage is a part.
- (4) **Uninsured motor vehicle** means a land motor vehicle:
- (a) to which no liability bond or policy applies at the time of the accident.
 - (b) 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 Arkansas law.
 - (c) a hit-and-run vehicle whose owner or operator cannot be identified and which hits:
 - (i) the **insured person**;
 - (ii) a vehicle an **insured person** is **occupying**; or
 - (iii) **your insured car**.
 - (d) to which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - (i) denies coverage;
 - (ii) is or becomes insolvent.

However, **uninsured motor vehicle** does not include:

- (a) an **underinsured motor vehicle**.
- (b) any vehicle or equipment owned or operated by self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
- (c) any vehicle or equipment owned by any governmental unit or agency while being used in an unauthorized manner.

- (d) with respect to damages for **property damage** only, if the owner and operator of the at-fault vehicle cannot be identified.

In addition, neither **uninsured** nor **underinsured motor vehicle** includes any vehicle or equipment:

- (a) owned by or furnished or available for the regular use of **you**, a **relative**, or a **resident**.
- (b) operated on rails or crawler treads.
- (c) designed mainly for use off public roads while not on public roads.
- (d) while located for use as a residence or premises.

EXCLUSIONS

This coverage does not apply for **bodily injury** or **property damage**:

- (1) to a person sustained while using a vehicle without the owner's express permission to do so. This includes an **insured person**.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes but is not limited to mail, newspaper, floral, and food delivery.
- (3) to a person if that person or the legal representative of that person makes a settlement without **our** written consent. This includes an **insured person**.
- (4) to property contained in or struck by a motor vehicle, other than **your insured car**, owned by **you**, a **relative**, or a **resident**.
- (5) to a person, including an **insured person**, occupying or struck by a motor vehicle owned by **you**, a **relative**, or a **resident** which is not insured for this coverage under this policy.
- (6) to a person, including an **insured person**, occupying **your insured car** when used to carry persons or property for a charge. This exclusion does not apply to shared expense **car** pools.
- (7) for the first \$200 of the amount of **property damage** to the property of each **insured person** as the result of any one accident with an

uninsured motor vehicle. This exclusion does not apply if:

- (a) we insure **your insured car** for both collision and uninsured motorists property damage coverage; and
 - (b) the operator of the **uninsured motor vehicle** is positively identified and is solely at fault.
- (8) resulting from the use of a **car** by a person or persons specifically excluded.
 - (9) for **punitive or exemplary damages**.
 - (10) to an **insured person** claiming Uninsured/Underinsured Motorists Coverage who does not notify the police within 24 hours if a hit and run driver is involved.
 - (11) for **diminution in value**.
 - (12) a motorized vehicle or device of any type designed to be operated on the public road that is **owned** by **you** or a **relative**, other than **your insured car**.
 - (13) sustained while **your insured car** is being used or driven by a person while employed or engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you** or a **relative**, when using **your insured car**.
 - (14) resulting from any prearranged or organized **racing** contest.
 - (15) due to a nuclear reaction or radiation.
 - (16) for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of that policy are exhausted.
 - (17) to a **utility trailer**.
 - (18) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.

- (19) resulting from the use of a vehicle, by any person, including an **insured person**, without reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a motor vehicle.
- (20) while **occupying** any motorized vehicle having more or less than four wheels.
- (21) while **occupying** a vehicle located for use as a residence or premises.

This coverage shall not apply directly or indirectly to benefit:

- (a) any insurer or self-insurer under any disability benefits law or similar law.
- (b) any insurer of property.

We do not provide Uninsured/Underinsured Motorists Coverage for **punitive** or **exemplary damages**.

LIMITS OF LIABILITY

- (1) The limits of liability shown in the Declarations for Uninsured Motorists Coverage or Underinsured Motorists Coverage apply subject to the following:
 - (a) the **bodily injury** liability limits for "each person" is the maximum we will pay as damages for **bodily injury** to one person in one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
 - (b) subject to the **bodily injury** liability limit for "each person," the **bodily injury** liability limit for "each accident" is the maximum we will pay as damages for all **bodily injury** to two or more persons in any one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
 - (c) the **property damage** liability limit for "each accident" is the maximum **we** will pay for all

- damages to property in one accident.
- (2) In determining the amount payable under this Part III, the amount of the damages sustained by the **insured person** due to **bodily injury** shall be reduced by all sums:
 - (a) paid by or on behalf of any persons or organizations that may be legally responsible, including, but not limited to, all sums paid under Part I – Liability To Others.
 - (b) paid under Part II—Personal Injury Protection Coverage.
 - (c) paid or payable because of **bodily injury** under any disability benefit law or similar laws.
 - (3) The Limits of Liability under this Part III for **property damage** shall be reduced by all sums paid:
 - (a) because of **property damage** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part I—Liability; and
 - (b) under Part IV— Car Damage for **property damage**.
 - (4) **Our** Limit of Liability under this Part III for **property damage** arising out of one accident is the lowest of:
 - (a) the actual cash value of the **property damage** at the time of the accident, reduced by the applicable deductible, and by its salvage value if **you** or the owner retain the salvage.
 - (b) the amount necessary to replace the **property damage**, reduced by the applicable deductible, and by its salvage value if **you** or the owner retain the salvage.
 - (c) the amount necessary to repair the **property damage** to its pre-loss condition, reduced by the applicable deductible.
 - (d) any limit of liability shown on the Declarations Page for **property damage**

under this Part III, reduced by the salvage value of the **property damage** if you or the owner retain the salvage.

- (5) Payments for **property damage** under this Part III are subject to the following provisions:
- (a) any amount payable under this Part III for **property damage** shall be subject to the deductible shown on the Declarations Page;
 - (b) no more than one deductible shall be applied to any one accident;
 - (c) the deductible under this Part III shall not apply if:
 - (i) the operator of the **uninsured motor vehicle** has been positively identified and is solely at fault; and
 - (ii) **your insured car** is insured for collision coverage under Part IV—Car Damage.
 - (d) an adjustment for **depreciation** and physical condition, including betterment, will be made in determining the Limit of Liability at the time of the **loss**; and
 - (e) **IN THE REPAIR OF YOUR INSURED CAR UNDER THE CAR DAMAGE COVERAGE PROVISIONS OF THIS POLICY, WE MAY REQUIRE OR SPECIFY THE USE OF MOTOR VEHICLE PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. THESE PARTS ARE REQUIRED TO BE AT LEAST EQUAL IN TERMS OF FIT, QUALITY, PERFORMANCE, AND WARRANTY TO THE ORIGINAL MANUFACTURER PARTS THEY REPLACE.**

Any payment made to a person under this Part III shall reduce any amount that the person is entitled to recover for the same elements of damages under Part I—Liability or for **loss** under Part IV—Car Damage.

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

Any judgment or settlement for damages against an

operator or owner of an **uninsured motor vehicle** or **underinsured motor vehicle** which arises out of a lawsuit brought without **our** written consent is not binding to **us**.

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

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

We will pay no more than the maximum limit of liability as shown in the Declarations for Uninsured Motorists Coverage or Underinsured Motorists Coverage regardless of the number of:

- (1) **insured persons**;
- (2) claims made;
- (3) claimants;
- (4) policies;
- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown in the Declarations or premiums paid, the limits for any coverage under this policy may not be added to the limits for similar coverage applying to other motor vehicles to determine the limit of insurance coverage available for **bodily injury** suffered by a person in any one accident.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage:

- (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.
- (4) However, any insurance **we** provide under this Part III will be primary over any applicable insurance provided by a policy issued to the owner of a **loaner vehicle** if **you** are operating the **loaner vehicle** involved in an accident and:
 - (a) an **insured person** sustains bodily injury; or
 - (b) the **loaner vehicle** sustains property damage.

TRUST AGREEMENT

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

- (1) **We** are entitled to recover from **you** an amount equal to such payment if there is a legal settlement made or a judgment paid on **your** behalf with or against any person or organization legally responsible for the **loss**.
- (2) **You** must hold in trust for **us** all rights to recover money which **you** have against the person or organization legally responsible for the **loss**.

- (3) **You** must do everything reasonable to secure **our** rights and do nothing to prejudice these rights.
- (4) If **we** ask, **you** must take necessary or appropriate action, through a representative designated by **us**, to recover payment as damages from the responsible person or organization.
- (5) **You** must execute and deliver to **us** any legal instrument or papers necessary to secure all rights and obligations of **you** and **us** as established here.
- (6) An **insured person** under this coverage must do nothing before or after a **loss** to prejudice **our** rights of recovery from any **uninsured** or **underinsured** motorists.

ARBITRATION

If **we** and an **insured person** cannot agree on:

- (1) the legal liability of the operator or owner of the **uninsured motor vehicle**; or
- (2) the amount of damages sustained by the **insured person**:

This will be determined by arbitration if **we** and the **insured person** agree to arbitration prior to the expiration of the bodily injury statute of limitations in the **state** in which the accident occurred.

If **we** and the **insured person** agree to arbitration, each party shall select an arbitrator. The two arbitrators will select a third. If the two arbitrators cannot agree on a third arbitrator within thirty (30) days, then on joint application by the **insured person** and **us**, the third arbitrator will be appointed by a court having jurisdiction.

Each party will pay the costs and fees of its arbitrator and any other expenses it incurs. The costs and fees of the third arbitrator will be shared equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resided. Local rules of procedure and evidence will apply.

A decision agreed to by two of the arbitrators will determine:

- (1) the legal liability of the operator or owner of the **uninsured motor vehicle**; and
- (2) the amount of the damages sustained by the **insured person**;

but will not be binding on either the **insured person** or **us**. The arbitrators shall have no authority to award an amount in excess of the limit of liability.

PART IV – CAR DAMAGE

COVERAGE D—CAR DAMAGE COVERAGE INSURING AGREEMENT

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

- (1) caused by **collision**; or
- (2) not caused by **collision**

less any applicable deductibles shown in the Declarations. Coverage does not apply under this Part for a **car** or **utility trailer** not owned by **you** other than **your insured car**.

LOSS SETTLEMENT

We may pay the **loss** in money or repair or replace damaged or stolen property. **We** may, at any time before the **loss** is paid or the property is replaced, return, at **our** expense, any stolen property either to **you** or to the address shown in the Declarations, with payment for any resulting damage. **We** may keep all or part of the property at the agreed or appraised value. **You** do not have the right to abandon salvage to **us**.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part:

- (1) “**Your insured car**” means:
 - (a) the vehicle listed in the Declarations for this coverage.
 - (b) a vehicle **you** acquire during the policy period provided:
 - (i) it replaces the vehicle which was insured under the Car Damage portion of this policy; and

- (ii) **you** notify **us** within 30 days of the date you acquire it. When **you** ask **us** to add Car Damage Coverage for the replacement **car**, such coverage will be in effect no earlier than the time and day on which **you** ask **us** to add the coverage. If **you** ask **us** to add Car Damage Coverage in writing, the coverage will not be in effect until 12:01 A.M. on the day following the date of the postmark shown on the envelope containing your request. If a postage meter is used on the envelope containing **your** request to add Car Damage Coverage, coverage will be in effect no earlier than the time and day **your** request is received by **us**. All insurance for the **car** being replaced is ended when **you** take delivery of the replacement **car**.
 - (c) a **car** or **utility trailer** not owned by or furnished or available for the regular use of **you**, a **relative** or a **resident** while being used with the express permission of the owner.
- (2) “**Insured person**” means:
- (a) **you**, a **relative**, or **resident**.
 - (b) any person using **your insured car** with **your** express permission.
- (3) “**Collision**” means the impact of **your insured car** with another object or upset of **your insured car**. **Loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is **loss** not caused by **collision**.
- (4) “**Loss**” means sudden, direct and accidental loss of or damage to:
- (a) **your insured car**; or
 - (b) its original equipment, as available and permanently installed by the manufacturer as part of a standard option package at the time of purchase.

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

- (5) “**Special Equipment**” means equipment that was not installed by the manufacturer as part of a standard option package at the time of purchase. This includes but is not limited to:
- (a) radios, stereos, CD players, tape or cassette players, and their accessories;
 - (b) camper shells, toppers, and bed liners;
 - (c) custom interior work such as carpeting, seats, paneling, or furniture;
 - (d) any equipment that modifies the vehicles standard appearance or performance;
 - (e) T-tops, moon roofs, sun roofs, nose bras, custom wheels and tires, custom paint work, decals and graphics;
 - (f) **utility trailers**; or
 - (g) **sound reproducing equipment**.

CAR STORAGE COVERAGE

We will pay up to \$10 a day with a maximum of \$300 for the cost of storage of **your insured car** in the event of a **loss** to **your insured car** for which coverage is provided under this Part.

EXCLUSIONS

We do not cover **loss**:

- (1) to **your insured car** while used to carry persons or property for a charge. This includes rental of **your insured car** to others. This exclusion does not apply to shared expense **car** pools.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes, but is not limited to, mail, floral, and food delivery.
- (3) caused by war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequences of any of these.
- (4) to **sound reproducing equipment** not permanently installed in the dash or console opening of **your insured car**.

- (5) to tapes, compact discs, or similar items used with **sound receiving equipment**.
- (6) to **sound receiving equipment** or transmitting equipment designed for use as citizens band radios, two-way mobile radios, telephones, scanning monitor receivers, radar detectors, television sets, video cassette recorders, audio cassette recorders, personal computers, their accessories or antennas.
- (7) to awnings, cabanas, or equipment designed to provide living facilities.
- (8) resulting from prior **loss** or damage, manufacturer's defects, wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires. However, coverage does apply if the damage is the result of other **loss** covered by this policy.
- (9) to **your insured car** due to destruction or confiscation by governmental authorities because of use in illegal activities, or failure to bring it into compliance with the Environmental Protection Agency or the Department of Transportation.
- (10) to **special equipment**.
- (11) to refrigeration, cooling, or sleeping facilities.
- (12) to any vehicle used for **racing**.
- (13) caused by the theft or conversion of **your insured car** by a person **you** have voluntarily entrusted **your insured car** to. This exclusion does not apply when **your insured car** is stolen from the person **you** loaned the **car** to, if the theft is reported to the police within 24 hours of the **loss**.
- (14) to **your insured car** arising out of or during its use for the transportation of any:
 - (a) explosive substance;
 - (b) flammable liquid; or
 - (c) similar hazardous materials;
 except transportation incidental to **your** ordinary household or farm activities.
- (15) to clothes, tools, or personal effects.

- (16) to **your insured car** caused by or resulting from **you** acquiring **your insured car** from the seller without legal title available to **you**.
- (17) to any equipment which mechanically or structurally changes **your insured car** and results in an increase in performance.
- (18) to **your insured car** while being used by an **insured person** while in the commission of a **crime**.
- (19) to **your insured car** caused intentionally by or at the direction of an **insured person**. The expected and unexpected results of these acts are not covered.
- (20) to **your insured car** while being operated by a person or persons specifically excluded.
- (21) to any vehicle not owned by **you** not caused by **collision**.
- (22) to any vehicle that is subject to any bailment lease, conditional sale or consignment agreement, not specifically declared and described in this policy.
- (23) to **your insured car** due to **diminution in value**.
- (24) resulting from using a vehicle without a reasonable belief that the **person**, including an **insured person**, is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a vehicle.
- (25) resulting from the use by any **person**, including an **insured person**, who is not a properly licensed or legally licensed driver, or is in violation of any condition of their driving privileges.

LIMIT OF LIABILITY

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

- (1) the actual cash value of **your insured car** which was stolen or damaged; or

- (2) the amount necessary to repair or replace **your insured car** which was stolen or damaged; or
- (3) the amount necessary to repair or replace a **utility trailer** not owned by **you**, a **relative** or **resident** subject to a maximum of \$500.

However, in the event that the coverage applies to a **car you** do not own, **our** liability is limited to the highest actual cash value of **your insured car** described in the Declarations for which Car Damage Coverage has been purchased.

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

OTHER INSURANCE

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

Any insurance **we** provide for a **loaner vehicle** will be primary over any applicable insurance provided by a policy issued to the owner of the **loaner vehicle** for a **loss** arising out of **your** use of the **loaner vehicle**.

APPRAISAL

If **we** cannot agree with **you** on the amount of a **loss**, then **we** and **you** may agree to appraisal of the **loss**. If the parties agree to appraisal, each party shall appoint a competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraiser. If the two appraisers are unable to agree upon an umpire within fifteen (15) days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of **loss**. The amount of **loss** agreed to by both appraisers, or by one appraiser and the umpire, will determine the amount payable under this Part IV, but

will not be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. Payment of the umpire and all other expenses of the appraisal will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

NO BENEFIT TO BAILEE

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

PART V – GENERAL PROVISIONS

NOTICE TO COMPANY

Your notice to **our** authorized agent will be deemed to be notice to **us**.

POLICY PERIOD, TERRITORY

This policy applies only to accidents and losses during the policy period shown in the Declarations and occurring within the United States of America, its territories or possessions, or between their ports and Canada.

CHANGES IN YOUR POLICY

This policy, the application, any endorsements, any offer of reinstatement, any lapse in coverage form, and the Declarations include all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effectuated in this policy except by endorsement issued by **us**. Messages left after normal business hours will not affect coverage. All changes are subject to underwriting review and approval. If a premium adjustment is necessary, **we** will make it as of the effective date of the change. When **we** broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective.

The premium for each term of this policy is determined by information in **our** possession at the inception date of that term. Any change in this information which would affect the rating of **your** policy gives **us** the right to make an additional

charge or refund on a pro-rata basis.

REGARDLESS OF PREMIUM CHANGE, YOU HAVE A DUTY TO INFORM US OF ANY SUCH CHANGE (including, but not limited to, change in vehicles, use of vehicles, Named Insured's and additional drivers' occupations, marital status, garaging address, **residents** in household, children eligible to drive, drivers' physical condition, medication, or moving out of the State of Arkansas).

TERMS OF POLICY CONFORMED TO STATUTES

If any provision of this policy fails to conform with the legal requirements of the **state** listed on **your** application as **your** residence, the provisions shall be deemed amended to conform with such legal requirements. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provision of this policy shall be governed by the law of the **state** listed on **your** application as **your** residence.

SUITS AGAINST US

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

No suit or action whatsoever shall be brought against **us** for the recovery of any claim under Part III - Uninsured/Underinsured Motorists coverage unless same is commenced within the time allowed by law.

If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

OUR RECOVERY RIGHTS

In the event of a payment under this policy, **we** are entitled to all the rights of recovery that the **insured**

person to whom payment was made has against another after the **insured person** has been fully compensated for their **loss**. That person or organization must sign and deliver to **us** any legal papers relating to that recovery. They must also do whatever else is necessary to help **us** exercise those rights and do nothing after **loss** to harm **our** rights.

However, **we** may not assert rights of recovery against any person who was using **your insured car** with **your** express permission for any payment made under Part IV—Car Damage.

When an **insured person** has been paid by **us** under this policy and also recovers from another person, entity, or organization, the amount recovered will be held by the **insured person** in trust for **us** and reimbursed to **us** to the extent of **our** payment. However, this shall not apply to payment by **us** under any Accidental Death Benefits Coverage provided under Part II of this policy.

If recovery is made by an **insured person** under this policy from a responsible person, entity or organization without **our** written consent, the **insured person's** right to payment under any affected coverage will no longer exist.

Our right of recovery does not apply to underinsured motorist benefits if:

- (1) the **insured person** sends **us** written notice, in accordance with the requirements of Part III—Uninsured/Underinsured Motorist Coverage, of any tentative settlement agreement reached with owner or operator of an **underinsured motor vehicle**, or such person's liability insurer; and
- (2) **we** fail to pay the sum offered in settlement to the **insured person** by the owner or operator of an **underinsured motor vehicle**, or that person's liability insurer, within thirty (30) days of **our** receipt of such notice.

Our right of recovery does not apply to underinsured motorist benefits to the extent of any payment **we** have made to the **insured person** under a policy of liability insurance issued by **us** to the **owner** or operator of an **underinsured motor vehicle**.

JOINT AND INDIVIDUAL INTERESTS

If there is more than one named insured on this policy, any named insured may cancel or change this policy. The action of one named insured shall be binding on all persons provided coverage under this policy.

ASSIGNMENT

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

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

BANKRUPTCY

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person**. If execution of a judgment against the **insured person** is returned unsatisfied because of the insolvency or bankruptcy, in an action brought by the injured person or his or her personal representative in case death results from the **loss**, then an action may be maintained by the injured person or their personal representative against **us** for the amount of the judgment in the action not exceeding **our** limits of liability.

PAYMENT OF PREMIUM

If **your** initial premium is by check, draft, or any remittance other than cash, coverage under this policy is conditioned upon the check, draft, or remittance being honored upon presentment to the bank or other financial institution. If the check, draft, or remittance is not honored upon presentment, this policy may, at **our** option, be deemed void from its inception. This means that **we** will not be liable under this policy for any claims or damages which would otherwise be covered if the check, draft, or remittance had been honored upon presentment.

A charge may be added to **your** account if:

- (1) **you** tender a check, draft, or remittance or other method of payment to **us** for any full or partial

payment of **your** premium, other than **your** initial payment, and the check, draft, remittance or other method of payment is returned to **us** or refused because of insufficient funds, a closed account, or a stop payment order; or

- (2) **your** premium payment is received after the due date but prior to cancellation.

CANCELLATION AND NON-RENEWAL

This policy may be canceled during the policy period as follows:

- (1) **You** may cancel by:
 - (a) returning this policy to **us**; or
 - (b) giving **us** advance written notice of the future date cancellation is to take effect.
- (2) **We** may cancel by mailing to **you** at the address shown in the Declarations:
 - (a) at least 10 days notice:
 - (i) if cancellation is for nonpayment of premium; or
 - (b) at least 20 days notice in all other cases;
 - (c) **we** may cancel this policy for any reason within the first 59 days of the initial policy period.
- (3) After this policy is in effect for 59 days, or if this is a renewal, **we** will cancel only:
 - (a) for nonpayment of premium; or
 - (b) loss of driving privileges during the policy period, or, if this is a renewal policy, during the policy period or the one hundred and eighty (180) days immediately preceding the effective date of renewal, through suspension or revocation of **your** operator's license or motor vehicle registration, or the license or registration of any other operator who either resides in the same household as **you** or who customarily operates **your insured car**. However, **we** will not cancel **your** policy solely due to an administrative revocation or suspension of an operator's license pursuant to Arkansas Code §5-65-104; or
 - (c) **you** or any driver of **your insured car** have been convicted of:

- (i) driving while intoxicated;
 - (ii) homicide or assault arising out of the use of a motor vehicle; or
 - (iii) three separate convictions of speeding or reckless driving, or any combination of the two, during the policy period or the three months prior to the effective date of the policy; or
- (d) for fraud, willful misrepresentation or concealment on the part of any insured with respect to a material fact or circumstance relating to the issuance or continuation of this policy; or
- (e) for any other reason allowed by law.

If **we** decide not to renew this policy, **we** will mail notice to **you** at the address shown in the Declarations. Notice will be mailed at least 20 days before the end of the policy period.

Proof of mailing any notice shall be sufficient proof of notice. The effective date of cancellation stated in a notice is the end of the policy period.

Upon cancellation, **you** may be entitled to a premium refund. **Our** making or offering a refund is not a condition of cancellation.

If **we** cancel this policy for a reason other than non-payment of premium, any refund due will be computed on a daily pro-rata basis.

If cancellation is at **your** request, or for **your** non-payment of premium, a cancellation fee of \$25 will apply.

If **you** or **we** cancel, any premium due to **you** of \$10.00 or less will be refunded to **you** only upon **your** written request.

With regards to abandoned property as defined by the Unclaimed Property Act, any property deemed abandoned is subject to a monthly processing and holding charge of \$10.00 per month. This charge shall occur each consecutive month that the property remains unclaimed until such time the value of the abandoned property equals zero dollars.

All policies are subject to a minimum of \$50 earned premium.

AUTOMATIC TERMINATION

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

We will mail or deliver any premium billing notice for renewal of this policy to **you**, at the address shown in the Declarations.

Coverage under this policy will terminate automatically:

- (1) If the down payment check for a new business policy or renewal term is not honored by the bank, the policy will be rescinded and no coverage will be afforded.
- (2) If other insurance is obtained on **your insured car**, similar insurance afforded under this policy for that **car** will cease on the effective date of the other insurance.
- (3) When a person other than an **insured person** becomes the owner of **your insured car**.

FRAUD AND MISREPRESENTATION

The statements made by **you** in the application are deemed to be **your** representations. If any representation contained in the application is false, misleading or materially affects the acceptance or rating of this risk by **us**, by either direct misrepresentation, omission, concealment of facts, or incorrect statements, this policy will be null and void from its inception.

If any representation contained in any notification of change is false, misleading or materially affects the acceptance or rating of this risk by **us**, by either direct misrepresentation, omission, concealment of facts, or incorrect statements, this policy will be null and void from the effective date of the change.

This policy will be voidable at **our** option if **you** or an **insured person** or any other individual act at or by the direction of **you** or any **insured person has**:

- (1) concealed or misrepresented any material fact;
or

- (2) committed or attempted fraud concerning any matter regarding this policy whether before or after a **loss**.

If **we** void this policy, this shall not affect coverage under Part I—Liability of this policy for a **loss** that occurs before **we** notify the named insured that the policy is void.

You have an ongoing duty to notify **us** if there is a material change in the risk or exposure that might affect the rating of your policy. (See “Changes In Your Policy” on page 35-36.)

PART VI— WHAT TO DO IN CASE OF AN AUTO ACCIDENT OR LOSS

NOTICE OF ACCIDENT OR LOSS

In the event of an accident or **loss**, notice must be given to **us** promptly. The notice must give the time, place, and circumstances of the accident or **loss**, including the names and addresses of injured persons and witnesses.

FAILURE TO PROMPTLY REPORT A LOSS OR ACCIDENT TO US MAY JEOPARDIZE YOUR COVERAGE UNDER THIS POLICY.

WE WILL NOT PAY FOR ANY JUDGMENT RENDERED AGAINST YOU PRIOR TO OUR RECEIVING ACTUAL NOTICE OF THE LAWSUIT.

OTHER DUTIES

A person claiming any coverage under this policy must also:

- (1) cooperate with **us** and assist **us** in any matter concerning a claim or suit, including presence at a trial.
- (2) send **us** promptly any legal papers received relating to any claim or suit.
- (3) submit to physical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require.
- (4) authorize **us** to obtain medical and other records including but not limited to credit and financial records.

- (5) submit a proof of loss under oath if required by **us**.
- (6) submit to an examination under oath as often as may be reasonably required.
- (7) upon **our** request, allow **us** to obtain a written or recorded statement concerning the circumstances of the claim and any damages claimed.

UNINSURED/UNDERINSURED MOTORISTS

A person claiming Uninsured/Underinsured Motorists Coverage must also notify the police within 24 hours of the accident if a hit-and-run driver is involved.

An **insured person** shall send to **us**, by certified mail, return receipt requested, written notice of any tentative settlement agreement reached with the owner or operator of an **underinsured motor vehicle**, or that person's liability insurer. However, this notice requirement shall not apply when **we** are making that offer of settlement as insurer of the owner or operator of the **underinsured motor vehicle**. The notice shall include:

- (1) written documentation of economic losses incurred, including copies of all medical bills;
- (2) written authorization or a court order allowing **us** to obtain medical reports from all employers and medical providers;
- (3) written confirmation from the owner or operator's liability insurer as to the amount of the liability limits and the terms of the settlement agreement. The agreement shall not include any sum representing **punitive or exemplary damages**.

Within thirty (30) days of **our** receipt of written notice of the tentative settlement agreement, **we** may pay the sum offered in the settlement to the **insured person**. If **we** do this, **we** are entitled to subrogate to the extent of **our** payment to the **insured person's** right of recovery against the owner or operator of the **underinsured motor vehicle** and the **insured person** must assign to **us** all rights to any amount subsequently paid from all applicable liability bonds and policies.

CAR DAMAGE

A person claiming Car Damage Coverage must also:

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

In Witness Whereof, the company has caused this policy to be executed and attested.



Senior Vice President



President

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF TLC-0899 APPEARS ON THE DECLARATIONS PAGE.

TOWING AND LABOR COVERAGE ENDORSEMENT

If **you** pay a premium for Towing and Labor Coverage, **we** will pay for towing and labor costs incurred by **you** each time **your insured car**, is disabled, subject to the Limit of Liability shown on the Declarations Page, provided that the labor is performed at the place of disablement.

All other terms and conditions of your Personal Car Policy remain unchanged.

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF RRC-0899 APPEARS ON
THE DECLARATIONS PAGE.**

**RENTAL REIMBURSEMENT COVERAGE
ENDORSEMENT**

If **you** pay a premium for Rental Reimbursement Coverage, **we** will reimburse **you** for reasonable and necessary rental charges actually incurred by **you**, subject to the Limit of Liability shown on the Declarations Page for the loss of use of **your insured car** because of damage covered under Car Damage Coverage to **your insured car**. In the event of the total theft of **your insured car**, **we** will only consider expenses incurred beginning 48 hours after the theft is reported to a law enforcement agency.

Rental charges will be reimbursed beginning when **your insured car** cannot be driven due to a covered loss or when **your insured car** is delivered to a repair shop for repairs due to a covered loss.

Your insured car must be continuously withdrawn from normal use for more than 24 hours.

The coverage period ends when **your insured car** is returned to use or **we** make a settlement to pay the actual cash value of **your insured car**.

You must provide us written proof of **your** rental charges. Credit card receipts are not sufficient proof.

All other terms and conditions of your Personal Car Policy remain unchanged.

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF ENDORSEMENT
NUMBER AIN 0698 APPEARS ON THE
DECLARATIONS PAGE.**

**ADDITIONAL INSURED-LEASED MOTOR
VEHICLES**

It is agreed:

- (1) that the **car** described in the Declarations shall be considered as owned by **you** while it is leased to **you** under a long-term contract from the owner whose name appears on the Declarations Page.
- (2) **you** are covered as the named insured.
- (3) under Part I – Liability, the owner shall be covered as an **insured person**.
- (4) under any Car Damage Coverage of Part IV of the policy that is in force, a **loss** shall be payable to **you** and the owner as the interests of each may appear.
- (5) this policy will not be changed or terminated as to the interest of the owner of the **car** without 10 days written notice to the owner.
- (6) there is no coverage while the **car** is loaned, rented or leased by the owner to any party other than **you**.
- (7) an additional insured has no greater rights under this policy than the named insured. Where coverage is denied to the named insured, coverage is also denied to the additional insured.

**THE FOLLOWING ENDORSEMENT APPLIES
ONLY IF ENDORSEMENT NUMBER LPC 0698
APPEARS ON THE DECLARATIONS PAGE.**

LOSS PAYABLE CLAUSE

We will pay **loss** or damage due under this policy according to **your** interest and that of the loss payee if one is shown in the Declarations. **We** may make separate payments according to those interests.

The loss payee has no greater rights under this

policy than the Named Insured. Where coverage is denied to the Named Insured, coverage is also denied to the loss payee.

We may cancel this policy according to its terms.

We will protect the loss payee's interest for:

- (1) 10 days after **we** mail them notice that the policy will terminate for non payment of premium.
- (2) 20 days after we mail them notice that the policy will terminate in all other cases.

If **we** pay the loss payee for any loss or damage suffered during that period, **we** have the right to recover the amount of any such payment to **you**.

If **you** fail to give proof of loss within the time allowed, the loss payee may protect its interest by filing a proof of loss within 30 days after that time.

The loss payee must notify **us** of any known change of ownership or increase in the risk. If it does not, it will not be entitled to any payment under this protection.

If **we** pay the loss payee under the terms of this protection for a **loss** not covered under the policy, **we** are subrogated to its rights against **you**. This will not affect the loss payee's right to recover the full amount of its claim. The loss payee must assign **us** its interest and transfer to **us** all supporting documents if **we** pay the balance due to the loss payee on the vehicle.

When the deductible amount shown in the Declarations Page for Car Damage coverage is less than \$250, the deductible amount applicable to losses payable to the loss payee under this coverage shall be \$250.

This deductible amount applies only when the covered automobile has been repossessed by or surrendered to the loss payee and the interest of the loss payee has become impaired.

All other losses payable under Part IV - Car Damage are subject to the deductible amount shown in the Declarations.

NOTICE TO POLICYHOLDERS

We are here to serve you.

As our policyholder, your satisfaction is very important to us. If you have a question about your policy, if you need assistance with a problem, or if you have a claim, you should first contact your insurance agent or us at (812) 858-4100. Should you have a valid claim, we fully expect to provide a fair settlement in a timely fashion.

Should you feel you are not being treated fairly with respect to a claim, you may contact the Arkansas Insurance Department with your complaint. To contact the Department, write or call:

Consumer Services Division
Arkansas Insurance Department
1200 W. 3rd Street
Little Rock, AR 72201-1904
1-800-852-5494 or 501-371-2640



ARKANSAS PERSONAL AUTO APPLICATION

INSUREMAX INSURANCE COMPANY
4976 STATE ROAD 261, NEWBURGH, IN 47630
P.O. BOX 607, NEWBURGH, IN 47629-0607
PHONE: 1-877-858-4100 FAX: 1-877-409-4860
www.insuremax.net

Please review, sign or initial
where indicated, and return.

31009

INSURANCE AGENCY, INC.
254 S UNIVERSITY AVE
LITTLE ROCK, AR 72205

POLICY AND PREMIUM INFORMATION FOR POLICY NUMBER: AR-NS123456

Table with 2 columns: Field Name and Value. Fields include Named Insured, Policy Term, Policy Period, Effective Date and Time, Total Policy Premium, Down Payment Required, Down Payment Received, and Payment Plan.

DRIVERS AND HOUSEHOLD RESIDENTS

The applicant, spouse, and all household residents 15 years of age or older, all regular operators of the vehicles described in this application, and all children who live away from home who drive these vehicles, even occasionally, are listed below.

Table with 7 columns: Name, Date of Birth, Class, Status, Driver's License, SSN. Rows for JOE CUSTOMER and JOHN CUSTOMER.

DISCOUNTS

Home Owner, Multi-Car, Prior Insurance

PRIOR INSURANCE AND UNDERWRITING QUESTIONS

GEICO INS CO (289-67-04)
Bodily Injury Limits: \$100,000/\$300,000 Comp Claims: 0 Not At-Fault Accidents: 0 Length of Lapse: 0 Days (No Lapse)

DRIVER VIOLATION LISTING

Table with 3 columns: Name, Occurrence Date, Violation Description. Rows for JOE CUSTOMER with violations on Jun 15, 2006.

VEHICLES AND COVERAGES

2005 HYUNDAI TIBURON GT/TIBURON SE		Garaging Zip Code: 72201		
VIN: KMHHN65F051234567	Symbol: A2020	Limits	Deductible	Premium
BODILY INJURY LIABILITY		\$25,000/\$50,000 non-stacked each person/each accident		\$205
PROPERTY DAMAGE LIABILITY		\$25,000 non-stacked each accident		\$201
PERSONAL INJURY PROTECTION - MEDICAL/HOSPITAL		\$5,000 non-stacked each person		\$341
PERSONAL INJURY PROTECTION - ACCIDENTAL DEATH		\$5,000 non-stacked each person		\$116
PERSONAL INJURY PROTECTION - INCOME DISABILITY		Statutory Limit		\$141
UNINSURED MOTORIST BODILY INJURY		\$25,000/\$50,000 non-stacked each person/each accident		\$49
UNDERINSURED MOTORIST BODILY INJURY		\$25,000/\$50,000 non-stacked each person/each accident		\$44
UNINSURED MOTORIST PROPERTY DAMAGE		\$25,000 non-stacked each accident	\$200	\$76
COLLISION			\$500	\$2,048
COMPREHENSIVE (OTHER THAN COLLISION)			\$500	\$958
TOWING AND LABOR		\$75 per occurrence		\$15
RENTAL REIMBURSEMENT		\$30 each day/30 day max each accident		\$40
Total Premium for 2005 HYUNDAI (Commute)				\$4,234

Lienholder: ARKANSAS NATIONAL 3942 ELM SPRINGS ROAD SPRINGDALE AR 72762

1978 FORD F-150		Garaging Zip Code: 72201		
VIN: F15JL	Symbol: V0707	Limits	Deductible	Premium
BODILY INJURY LIABILITY		\$25,000/\$50,000 non-stacked each person/each accident		\$205
PROPERTY DAMAGE LIABILITY		\$25,000 non-stacked each accident		\$201
PERSONAL INJURY PROTECTION - MEDICAL/HOSPITAL		\$5,000 non-stacked each person		\$341
PERSONAL INJURY PROTECTION - ACCIDENTAL DEATH		\$5,000 non-stacked each person		\$116
PERSONAL INJURY PROTECTION - INCOME DISABILITY		Statutory Limit		\$141
UNINSURED MOTORIST BODILY INJURY		\$25,000/\$50,000 non-stacked each person/each accident		\$49
UNDERINSURED MOTORIST BODILY INJURY		\$25,000/\$50,000 non-stacked each person/each accident		\$44
UNINSURED MOTORIST PROPERTY DAMAGE		\$25,000 non-stacked each accident	\$200	\$40
TOWING AND LABOR		\$75 per occurrence		\$15
Total Premium for 1978 FORD (Farm)				\$1,152
Total 6 Month Policy Premium with all applicable discounts included less policy fee and/or SR-22 fee				\$5,386

REJECTION OF UNINSURED/UNDERINSURED MOTORISTS COVERAGE (Please read carefully.)

The State of Arkansas requires Uninsured or Underinsured Motorists Coverage be afforded me under my motor vehicle liability policy in amounts not less than the minimum statutory limits, unless I specifically reject such coverage. Every insured purchasing Uninsured Motorist Bodily Injury/ Underinsured Motorist coverage shall be provided the opportunity to include Uninsured Motorist Property Damage Coverage in amounts up to the automobile liability limits shown on the policy. Every insured is permitted to reject the Uninsured and Underinsured Motorists Coverages in their entirety or to reject either or both the Underinsured Motorists Coverage and/or the Uninsured Motorists Property Damage Coverage.

Uninsured and Underinsured Motorists Coverage provides insurance protection to an insured person for compensatory damages which the insured is legally entitled to recover from the owner or operator of an uninsured or underinsured motor vehicle because of bodily injury caused by an automobile accident and for property damage to the insured vehicle for losses in excess of two hundred dollars (\$200). Only the policy provides a complete description of the coverage and its limitations.

Check all that apply:

- I reject Uninsured and Underinsured Motorists Coverage in their entirety.
- I reject Underinsured Motorists Bodily Injury Coverage in its entirety (Underinsured Motorists Bodily Injury cannot be purchased without Uninsured Motorists Bodily Injury).
- I reject Uninsured Motorists Property Damage coverage (Uninsured Motorist Property Damage cannot be purchased without Uninsured Motorists Bodily Injury).

I also understand that my policy will not contain these rejected coverages when issued or renewed, but I may request to add the above coverage to my policy at any future date.

X _____ **Date** _____
Named Insured's Signature (If Named Insured is a minor, Legal Guardian's Signature)

REJECTION OF INCREASED UNINSURED LIMITS (Please read carefully.)

Under Arkansas laws, if you choose not to reject Uninsured Motorists Coverage, you, the named insured in the policy, have the right to purchase Uninsured Motorists Coverage in limits up to the limits of third-party liability coverage you will carry under your automobile insurance policy. Alternatively, the law also permits you to reject any offered increased limits.

My policy will be issued with Uninsured Motorists Bodily Injury coverages with limits equal to my Bodily Injury limits unless I reject or reduce them.

- I reject increased Uninsured Motorists Bodily Injury limits that match my increased Bodily Injury limits. My policy will be issued with Uninsured Motorists Bodily Injury limits as indicated on this application.

X _____ **Date** _____
Named Insured's Signature (If Named Insured is a minor, Legal Guardian's Signature)

REJECTION OF PERSONAL INJURY PROTECTION COVERAGE (Please read carefully.)

The State of Arkansas requires Personal Injury Protection Coverage to be included with policies containing liability coverage unless rejected in writing by the named insured. Medical and Hospital Benefits Coverage provides coverage for reasonable and necessary expenses because of bodily injury sustained by an insured person and incurred within two (2) years from the date of an accident. Medical and Hospital Benefits Coverage includes coverage for medical, hospital, nursing, dental, surgical, ambulance, funeral expense and prosthetic services. Income Disability provides coverage for work loss because of bodily injury sustained by an insured person caused by an accident arising out of the ownership, maintenance or use of a motor vehicle. Accidental Death Benefits Coverage provides coverage from the date of an accident because of bodily injury caused by the accident and arising out of the ownership, maintenance or use of motor vehicle. Only the policy provides a complete description of the above coverages and their limitations.

I fully understand that my policy when issued or renewed will NOT provide: (check all that apply)

- \$5,000 Medical and Hospital Benefits
- \$5,000 Accidental Death Benefits
- Income Disability Benefits as described in the Personal Auto Policy Part II Limit of Liability

I also understand that, upon written request, I may request to add any of the above coverages to my policy at any future date.

X _____ **Date** _____
Named Insured's Signature (If Named Insured is a minor, Legal Guardian's Signature)

EXCLUSION OF UNLISTED HOUSEHOLD MEMBERS OR FREQUENT OPERATORS (Please read carefully.)

It is agreed that all coverages afforded by this policy shall not apply to any loss or damage arising from any accident which occurs while the automobile is being driven, operated, manipulated, maintained, received or used in any other manner by an unlisted driver who resides in the same household as the name insured or is a regular or frequent operator of any vehicle insured under this policy. This exclusion shall apply whether or not the named insured is occupying the vehicle at the time the unlisted driver is using it in any manner whatsoever. Nothing contained in this endorsement shall vary, waive, alter or extend any other term or condition of the policy. This endorsement shall supersede any policy provisions to the contrary and shall take effect simultaneous with such policy.

X _____ **Date** _____
Named Insured's Signature (If Named Insured is a minor, Legal Guardian's Signature)

POLICY ENDORSEMENT EXCLUDING SPECIFIED OPERATORS (Please read carefully.)

Residents in your household of driving age who are not rated on this policy must be excluded in consideration of the premium charged for the policy to which this endorsement applies. In consideration of the premium charged for this policy, it is agreed that ALL coverages under this policy are excluded and no coverage will be provided for any claim arising from an accident or loss that occurs while your covered auto or non-owned auto is operated by an individual listed as a named excluded driver below and on your Declarations Page.

Name	Date of Birth	Relation to Applicant	Ever Licensed?	Household Member?	Driver's License	SSN
JOHN CUSTOMER	Dec 3, 1988	Child	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		319-56-****

X _____ **Date** _____
Named Insured's Signature (If Named Insured is a minor, Legal Guardian's Signature)

APPLICANT'S STATEMENT

Please have the applicant complete this section and initial each response.

- 1. Have all the household residents 15 years of age or older, all regular operators of the vehicles, and all children who live away from home who drive these vehicles, even occasionally, been disclosed in the "Drivers and Household Residents" section?
 Yes No _____ Initial
If no, please explain: _____
- 2. Do you currently have or are you pursuing a valid state driver's license?
 Yes No _____ Initial
- 3. Are any of your vehicles used to pick up or deliver persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, mail, food (including pizza), or any other products?
 Yes No _____ Initial
If yes, please describe the business use: _____
- 4. Do any of the vehicles listed on this policy have existing damage?
 Yes No _____ Initial
If yes, please give a description of existing damage: _____
InsureMax Insurance Company will not be held liable for repair or replacement of existing damage.
- 5. Are there other vehicles in your household not listed on this application?
 Yes No _____ Initial
If yes, please give: Vehicle: _____ Driver: _____ Vehicle Insurer: _____
- 6. Do you understand that we do not cover losses if your vehicle is being operated by an undisclosed or excluded driver in your household?
 Yes No _____ Initial
- 7. Does any driver have any physical or mental impairment?
 Yes No _____ Initial
If yes, please indicate the nature of the impairment: _____
- 8. **Do you reside in the state of Arkansas for a minimum of ten (10) months a year?**
 Yes No _____ Initial

APPLICATION AGREEMENT

I hereby apply to InsureMax Insurance Company for a policy of insurance as set forth in this application, based on my statements, representations and promises contained herein. I declare that these statements, representations and promises are true to the best of my knowledge. I agree that such policy shall be null and void at inception if I provide information that is false or misleading or if I omit information that would materially affect acceptance of the risk by InsureMax Insurance Company. I agree that an inquiry may be made which will provide applicable information as to the character, reputation, personal characteristics, and mode of living. I authorize InsureMax Insurance Company to obtain such reports for this policy, renewals, or for any claim. I agree to pay any additional premium that is charged based upon information disclosed by these reports. I understand that Physical Damage (if afforded) is based on the actual cash value of the factory standard motor vehicle and that no coverage exists for customizing, add-on equipment or accessories that are not factory standard

I understand that a service charge will be assessed to the balance due on my policy if any check offered in payment of an installment is not honored by its bank. Imposition of such charge shall not deem the Company to have accepted the check unconditionally. I understand that if the down payment check for this new business policy is not honored by the bank or financial institution, the policy will be rescinded and no coverage will be afforded. I agree to pay a late fee during the policy term and each renewal policy for any payment that is not postmarked in full by the scheduled due date. The amount of this fee may change upon renewal. If the company reinstates my policy for any reason, I understand that I may be charged a reinstatement fee. The amount of this fee may change upon policy renewal. I understand that a nonrefundable cancellation fee will be applied if the policy is cancelled for Insured's Request including nonpayment of premium. I agree to pay the service fees shown on my billing statement that become due during the policy term and each renewal policy term in accordance with the payment plan I have selected. I understand that the amount of these fees may change upon policy renewal or if I change my payment plan. I also understand that the amount of these fees may change if my premium is increased due to inaccurate or incomplete information in this application.

I hereby apply for a policy of insurance as set forth in this application on the basis of the statements contained herein. I agree that such policy shall be null and void if such information is false, misleading, or would materially affect the acceptance of this application by InsureMax Insurance Company. I certify that all drivers of the insured vehicles and all residents of my household over the age of 15 have been disclosed on this application. I understand and agree that my premium down payment for this application may be used to reduce any previous balance I owe the Company.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Applicant's Signature

X _____ Date _____ Time _____

AGENT'S STATEMENT

I, the undersigned, hereby certify that to the best of my knowledge: all information contained herein is correct, the statements herein are those of the applicant who has signed this application in my presence, and that I shall retain a duplicate signed copy hereof.

Agent's Signature

X _____ Date _____ Time _____

SERFF Tracking Number: INMX-125406107 *State:* Arkansas
Filing Company: InsureMax Insurance Company *State Tracking Number:* #8135 \$250
Company Tracking Number: 09AR0108
TOI: 19.0 Personal Auto *Sub-TOI:* 19.0001 Private Passenger Auto (PPA)
Product Name: AR Form Revision
Project Name/Number: AR Forms- Policy & App/

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: INMX-125406107

State: Arkansas

Filing Company: InsureMax Insurance Company

State Tracking Number: #8135 \$250

Company Tracking Number: 09AR0108

TOI: 19.0 Personal Auto

Sub-TOI: 19.0001 Private Passenger Auto (PPA)

Product Name: AR Form Revision

Project Name/Number: AR Forms- Policy & App/

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status:

Approved

02/19/2008

Comments:

Attachment:

Initial Filing Transmittal Document 0108 Forms.pdf

Satisfied -Name: Cover Letter

Review Status:

Approved

02/19/2008

Comments:

Attachment:

AR Revision 122807 Filing Letter Forms.pdf

Property & Casualty Transmittal Document (Revised 1/1/06)

1. Reserved for Insurance Dept. Use Only

2. Insurance Department Use only	
a. Date the filing is received:	
b. Analyst:	
c. Disposition:	
d. Date of disposition of the filing:	
e. Effective date of filing:	
New Business	
Renewal Business	
f. State Filing #:	
g. SERFF Filing #:	
h. Subject Codes	

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #

5. Company Tracking Number	
-----------------------------------	--

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail

7. Signature of authorized filer	
8. Please print name of authorized filer	

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other: _____
14. Effective Date(s) Requested	New: _____ Renewal: _____

Property & Casualty Transmittal Document---

15.	Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	
17.	Reference Organization # & Title	
18.	Company's Date of Filing	
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved
20.	This filing transmittal is part of Company Tracking #	

21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

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]
<p>Check #:</p> <p>Amount:</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	
<p>***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)</p>	

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #				
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			[] New [] Replacement [] Withdrawn		
02			[] New [] Replacement [] Withdrawn		
03			[] New [] Replacement [] Withdrawn		
04			[] New [] Replacement [] Withdrawn		
05			[] New [] Replacement [] Withdrawn		
06			[] New [] Replacement [] Withdrawn		
07			[] New [] Replacement [] Withdrawn		
08			[] New [] Replacement [] Withdrawn		
09			[] New [] Replacement [] Withdrawn		
10			[] New [] Replacement [] Withdrawn		

Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a.	Overall percentage rate impact for this filing		
5b.	Effect of Rate Filing – Written premium change for this program		
5c.	Effect of Rate Filing – Number of policyholders affected		
6.	Overall percentage of last rate revision		
7.	Effective Date of last rate revision		
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)		
9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
04		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
05		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	



4976 SR 261
Newburgh, IN 47630

Voice: (812) 858-4100
Fax: (812) 858-4110

Email: jcapozziello@insuremax.net
Web: www.insuremax.net

December 28, 2007

Ms. Alexa Grissom
Arkansas Insurance Department
Property & Casualty Division
1200 West Third Street
Little Rock, AR 72201

Re: InsureMax Insurance Company
Private Passenger Auto – Forms
New Business Effective: January 28, 2008
Renewal Business Effective: February 28, 2008

Dear Ms. Grissom:

Enclosed please find a form revision filing for InsureMax Insurance Company non-standard private passenger auto program. Our Personal Auto Policy was revised to be in compliance with Act 373 of 2007. We have been complying with the new law internally since July 31, 2007. Our Personal Auto Application was revised to include the question “Do you reside in the state of Arkansas for a minimum of ten (10) months a year?”.

We cordially request an effective date of January 28, 2008 for new business and February 28, 2008 for renewal business.

If I can assist in answering any questions or providing any additional information regarding this filing, please contact me by telephone at (877) 858-4100 x277 or by email at jcapozziello@insuremax.net.

Sincerely,

Jennifer Capozziello
Product Analyst
InsureMax Insurance Company
(877) 858-4100 ext 277
jcapozziello@insuremax.net

<i>SERFF Tracking Number:</i>	<i>INMX-125406107</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>InsureMax Insurance Company</i>	<i>State Tracking Number:</i>	<i>#8135 \$250</i>
<i>Company Tracking Number:</i>	<i>09AR0108</i>		
<i>TOI:</i>	<i>19.0 Personal Auto</i>	<i>Sub-TOI:</i>	<i>19.0001 Private Passenger Auto (PPA)</i>
<i>Product Name:</i>	<i>AR Form Revision</i>		
<i>Project Name/Number:</i>	<i>AR Forms- Policy & App/</i>		

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	AR Personal Auto Policy	02/08/2008	AR PAP (2-2008) full page.pdf
No original date	Form	AR Personal Auto Policy	01/22/2008	AR PAP (12-2007) full page.pdf
No original date	Form	AR Personal Auto Policy	12/28/2007	AR PAP (12-2007) full page.pdf

INDEX

	PAGE
AGREEMENT	
Definitions Used Throughout This Policy	3-6
PART I – LIABILITY	
Coverage A- Liability Coverage Insuring Agreement	6-7
Additional Definitions Used In This Part Only	7
Additional Payments	7-8
Exclusions	8-10
Federal Tort Claims Act Exclusion	10
Conformity With State Financial Responsibility Laws	11
Out of State Insurance	11
Limits of Liability	11-12
Other Insurance	13
Right of Direct Action	13
PART II—PERSONAL INJURY PROTECTION COVERAGE	
Coverage B- Personal Injury Protection Coverage Insuring Agreements	
Medical and Hospital Benefits Coverage Insuring Agreement	13-14
Income Disability Benefits Coverage Insuring Agreement	14
Accidental Death Benefits Coverage Insuring Agreement	14
Additional Definitions Used In This Part Only	14-15
Exclusions	15-17
Limits of Liability	17-18
Other Insurance	18-19
PART III—UNINSURED/UNDERINSURED MOTORISTS	
Coverage C- Uninsured/Underinsured Motorists Coverage Insuring Agreement	19
Additional Definitions Used In This Part Only	20-21
Exclusions	22-24
Limits of Liability	24-27
Other Insurance	27-28
Trust Agreement	28-29
Arbitration	29

PART IV—CAR DAMAGE

Coverage D- Car Damage Coverage	
Insuring Agreement	30
Loss Settlement	30
Additional Definitions Used In This Part	
Only	30-31
Car Storage Coverage	32
Exclusions	32-34
Limit of Liability	34-35
Other Insurance	35
Appraisal	35
No Benefit To Bailee	36

PART V – GENERAL PROVISIONS

Notice To Company	36
Policy Period, Territory	36
Changes In Your Policy	36-37
Terms of Policy Conformed to Statutes	37
Suits Against Us	37
Our Recovery Rights	37-38
Joint & Individual Interests	38
Assignment	39
Bankruptcy	39
Payment of Premium	39
Cancellation and Non-Renewal	40-41
Automatic Termination	41-42
Fraud and Misrepresentation	42-43

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

Notice of Accident or Loss	43
Other Duties	43
Uninsured/Underinsured Motorists	44
Car Damage	44-45

**TOWING AND LABOR COVERAGE
ENDORSEMENT**

45

**RENTAL REIMBURSEMENT
COVERAGE ENDORSEMENT**

46

**ADDITIONAL INSURED-LEASED
MOTOR VEHICLES**

47

LOSS PAYABLE CLAUSE

47-48

NOTICE TO POLICYHOLDERS

49

AGREEMENT

We agree with **you**, in return for **your** premium payment, to insure **you** subject to the terms of this policy. **We** will insure **you** for the coverages and Limits of Liability for which a premium is shown in the Declarations of this policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

- (1) **“We,” “us,” and “our”** mean the Company providing this insurance.
- (2) **“You” and “your”** mean the Policyholder named in the Declarations and spouse if living in the same household.
- (3) **“Auto business”** means the **business** or occupation of selling, leasing, repairing, servicing, delivering, testing, storing or parking cars.
- (4) **“Bodily injury”** means bodily harm, sickness, disease or death, but does not include emotional distress, mental injury or any similar injury.
- (5) **“Business”** includes trade, profession, or occupation.
- (6) **“Car”** means a licensed and registered automobile of the private passenger type designed for use upon a public road. **“Car”** also means a vehicle with a load capacity of 1,500 pounds or less of the pick-up or van type not used in any **business**. This definition shall not include:
 - (a) motorcycles;
 - (b) midget cars;
 - (c) golf mobiles;
 - (d) tractors;
 - (e) farm machinery;
 - (f) any vehicle operated on rails or crawler treads;
 - (g) any vehicle used as a residence or premises; or
 - (h) go carts.
- (7) **“Crime”** means any felony and any act of eluding the police.

- (8) “**Depreciation**” means decline of value due to wear and tear or obsolescence.
- (9) “**Diminution in value**” means the actual or perceived loss in market or resale value of property, which results from a **loss**.
- (10) “**Loaner Vehicle**” means a **car** operated by **you** that is:
 - (a) loaned to **you** by a duly licensed automobile dealer:
 - (i) as a temporary substitute for **your insured car** while **your insured car** is out of use because of its breakdown, repair or servicing, or
 - (ii) for use as a demonstration vehicle.
 - (b) rented or leased from a rental company that is in the business of providing primary private passenger vehicles to the public under a written rental agreement for a period not to exceed 90 days.
- (11) “**Loss**” means sudden, direct, and accidental loss or damage, arising out of the ownership, maintenance or use of a motor vehicle.
- (12) “**Non-owned car**” means a **car** used by **you** with the express permission of the owner and not owned by, furnished, or available for the regular use of **you**, a **relative**, or a **resident**.
- (13) “**Occupying**” means in, on, getting into or out of.
- (14) “**Private passenger car**” means a **car** of the private passenger type with not less than four wheels. This definition shall not include a van or pick-up truck.
- (15) “**Punitive or Exemplary Damages**” means damages which may be imposed to punish a wrongdoer and to deter others from similar conduct.
- (16) “**Property damage**” means damage to or destruction of tangible property, including loss of its use.
- (17) “**Racing**” means preparation for any **racing**, speed, off-road, demolition or stunting contest or activity. **Racing** also includes

participation in the event itself, whether or not such event, activity or contest is organized.

- (18) “**Relative**” means a person living in **your** household and related to **you** by blood, marriage or adoption, including a ward or foster child. Any **relative** 15 years of age or older must be disclosed to **us** in the application or other writing.
- (19) “**Resident**” means a person, other than a **relative**, living in **your** household. Any **resident** 15 years of age or older must be disclosed to **us** in the application or other writing.
- (20) “**Sound Reproducing Equipment**” means any electronic equipment, antennas, and any other devices used exclusively to send or receive audio, visual, or data signals, or to play back recorded media, other than those which were installed by the vehicle manufacturer as a part of a standard option package.
- (21) “**State**” means the District of Columbia and any **state** of the United States of America.
- (22) “**Utility trailer**” means a vehicle designed to be towed by a **private passenger car**.
- (23) “**Your insured car**” means:
 - (a) the **car** owned by **you** described in the Declarations.
 - (b) a **car** you acquire during the policy period. The **car** must replace the **car** described in the Declarations. It will have the same coverages as the **car** it replaced with the exception of Car Damage Coverage. If you want Car Damage Coverage to apply to the replacement **car**, **you** must notify **us** within 30 days of the date **you** acquire it.

When **you** ask **us** to add Car Damage Coverage for the replacement **car**, such coverage will be in effect no earlier than the time and day on which you ask us to

add the coverage. If **you** ask **us** to add Car Damage Coverage in writing, the coverage will not be in effect until 12:01 A.M. on the day following the date of the postmark shown on the envelope containing your request. If a postage meter is used on the envelope containing **your** request to add Car Damage Coverage, coverage will be in effect no earlier than the time and day **your** request is received by **us**. All insurance for the **car** being replaced is ended when **you** take delivery of the replacement **car**.

- (c) a **car you** acquire during the policy period if it is in addition to any **car** described in the Declarations. **We** will provide the same coverages, exclusive of Car Damage Coverage, that **we** currently provide for any **car** shown on the Declarations.

These provisions apply only if, on the date **you** acquired the additional **car**, **we** insure all cars **you** own, and **you** ask **us** to insure the additional **car** within 30 days of the date **you** acquire it.

- (d) any substitute **car** or **utility trailer** not owned by **you**, a **relative**, or a **resident** being temporarily used by **you** with the express permission of the owner. The **car** must be a substitute for another **car** covered which is withdrawn from normal use due to breakdown, repair, servicing, **loss** or destruction.

For purposes of this policy, any **car** leased by **you** under a written agreement for a continuous period of at least six months shall be deemed to be owned by **you**.

PART I – LIABILITY

COVERAGE A – LIABILITY COVERAGE INSURING AGREEMENT

We will pay compensatory damages for **bodily injury** or **property damage** for which an **insured person** is legally liable because of the ownership or use of **your insured car** or a **non-owned car**.

Damages include prejudgment interest awarded against an **insured person**. The **bodily injury** or **property damage** must be caused by an auto accident.

This policy doesn't afford coverage and will not pay **punitive or exemplary damages**.

We will defend any suit or settle any claim for damages as we think appropriate.

Our duty to defend ends when our limit of liability for this coverage has been exhausted, whether through settlement or through our tender or interpleading our remaining limit of liability to a court. We have no duty to defend any suit or settle any claim for bodily injury or property damage not covered under this policy, or once we have settled or tendered or interplead our remaining limit of liability to a court.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part, "**insured person**" means:

- (1) **you**;
- (2) a **relative** or **resident** using **your insured car** with express permission from **you**;
- (3) a **relative** or **resident** using a **non-owned car** with the express permission of the owner and not owned by, furnished or available for the regular use of **you, a relative, or a resident**;
- (4) any person other than **you, a relative, or a resident** using **your insured car** with express permission from **you**.

ADDITIONAL PAYMENTS

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

- (1) all costs we incur in the settlement of a claim or defense of a suit.
- (2) all costs assessed against **you** in **our** defense of a suit.

- (3) interest on damages awarded in a suit **we** defend accruing after a judgment is entered. **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) any other reasonable expenses incurred at **our** request.

EXCLUSIONS

We do not provide coverage for **bodily injury** or **property damage**:

- (1) resulting from the ownership or use of a vehicle when used to carry persons or property for a charge. This includes rental of **your insured car** to others. This exclusion does not apply to shared expense **car** pools.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes, but is not limited to, mail, newspaper, floral, and food delivery.
- (3) caused intentionally by or at the direction of an **insured person**. The expected and unexpected results of these acts are not covered.
- (4) for which a person is an insured under a nuclear energy liability insurance policy. This exclusion applies even if the limits of that policy are exhausted.
- (5) to an employee of an **insured person** arising in the course of employment by an **insured person**. Coverage does apply to a domestic employee unless workers' compensation benefits are required or available for that employee.
- (6) resulting from the ownership or use of a vehicle by any person or **insured person** while that person is employed or otherwise engaged in a **business**. This exclusion does not include the use of **your insured car**:
 - (a) to carry tools and supplies between **your** home and job site; or
 - (b) by sales representatives, or members of the clergy.

- (7) to property owned or being transported by **you**, a **relative**, or **resident**.
- (8) to property rented to, used by, or in the care of **you**, a **relative**, or **resident**, except a residence or private garage.
- (9) resulting from the ownership, maintenance, or use of a motorized vehicle with more or less than four wheels.
- (10) arising out of the ownership or use of any vehicle, other than **your insured car**, which is owned by or available for regular use by **you**, a **relative** or **resident**.
- (11) resulting from the use of any vehicle for **racing**.
- (12) assumed by an **insured person** under any contract or agreement.
- (13) arising out of the ownership, maintenance or use of a **car** when rented or leased to others by any **insured person**.
- (14) incurred while the **car** is used for towing a trailer designed for use with other than a **private passenger car**.
- (15) resulting from the use of a **car** by a person specifically excluded.
- (16) due to or resulting from war, insurrection, rebellion, riot, or revolution.
- (17) arising out of the use of:
 - (a) **your insured car** by a person, including an **insured person**, without **your** express permission; or
 - (b) a **car** by any person, including an **insured person**, without the owner's express permission.
- (18) resulting from the use of a vehicle, by any person, including an **insured person**, without a reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably

believe that he or she is entitled to operate a vehicle.

- (19) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (20) arising out of actual, alleged, or threatened discharge, dispersal, release, or escape of any pollutant except if it is sudden and accidental and arises directly from **collision of your insured car**.
- (21) for any amount in excess of the minimum financial responsibility laws of the **state** where the accident occurs, or the **state** of Arkansas, whichever is higher, while the **insured person** is in the commission of a **crime**.
- (22) to any **insured person**.
- (23) for **punitive or exemplary damages**.
- (24) arising out of the operation of farm machinery.
- (25) to the owner of any vehicle while that person is a passenger in that vehicle driven by an **insured person**.
- (26) sustained by any person, this includes an **insured person**, while using or operating **your insured car** while engaged in the **business** of selling, leasing, repairing, servicing, parking, or storing motor vehicles. This includes testing, road testing, and delivery.

FEDERAL TORT CLAIMS ACT EXCLUSION

The following are not **insured persons** under Part I - Liability of the policy:

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

CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS

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

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

OUT OF STATE INSURANCE

If **you** are traveling in a **state** that has compulsory motor vehicle insurance requirements for non-residents, **we** will automatically provide the required liability insurance. **We** will not provide any coverage under the no-fault law or any other similar law of any other **state**.

LIMITS OF LIABILITY

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

- (1) the **bodily injury** liability limits for “each person” is the maximum **we** will pay as damages for **bodily injury** to one person in one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
- (2) subject to the **bodily injury** liability limit for “each person,” the **bodily injury** liability limit for “each accident” is the maximum **we** will pay as damages for all **bodily injury** to two or more persons in any one accident, including, but not limited to derivative claims of a **relative**, such as loss of consortium, loss of services or emotional damages.
- (3) the **property damage** liability limit for “each accident” is the maximum **we** will pay for all damages to property in one accident.
- (4) all **bodily injury** or **property damage** limits are subject to Exclusion (21), if applicable.

The “each person” limit of liability includes the total of all claims made for **bodily injury** to a person and

all claims of others, if allowed by law, that derive from such **bodily injury**, including but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium and wrongful death.

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

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

- (1) **insured persons**;
- (2) claims made;
- (3) claimants;
- (4) policies;
- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown in the Declarations or premiums paid, the limits for any coverage under this policy may not be added to the limits for similar coverage applying to other motor vehicles to determine the limit of insurance coverage available for bodily injury or property damage sustained in any one accident.

We will reduce any amount payable under this coverage to an injured person by any amount paid to that person under Part II Personal Injury Protection Coverage and Part III - Uninsured/Underinsured Motorists Coverage of this policy.

A **car** and **utility trailer**, whether attached or not, are considered one vehicle. Therefore, the limits of liability will not be increased for a **loss** including both.

OTHER INSURANCE

If there is other applicable liability insurance on a **loss** covered by this Part, **we** will pay only **our** share.

Our share is the proportion that **our** limits of liability bear to the total of all applicable limits. However, if there is other valid and collectible insurance on a **loss** covered by this part for a vehicle **you** do not own, no coverage or benefits will be afforded.

No insurance is afforded on newly acquired vehicles if there is other valid and/or collectible insurance.

Any insurance **we** provide for a **loaner vehicle** will be primary over any applicable insurance provided by a policy issued to the owner of the **loaner vehicle** for liability arising out of **your** use of the **loaner vehicle**.

RIGHT OF DIRECT ACTION

Any person entitled to payment of damages covered under this Part I, or his or her personal representative, shall be subrogated to the right of the person shown as the named insured on the Declarations Page for payment under this Part I. If a judgment against an **insured person** remains unsatisfied after thirty (30) days from the date notice of entry of judgment was served on either the **insured person**, the attorney for the **insured person**, or **us**, the injured person, or his or her personal representative, may maintain an action against **us** for the amount of the judgment not exceeding **our** Limits of Liability.

PART II – PERSONAL INJURY PROTECTION COVERAGE

COVERAGE B—PERSONAL INJURY PROTECTION COVERAGE INSURING AGREEMENTS

MEDICAL AND HOSPITAL BENEFITS COVERAGE INSURING AGREEMENT

Subject to the Limit of Liability shown on the Declarations Page, if **you** pay a premium for Medical and Hospital Benefits Coverage, **we** will pay for reasonable and necessary expenses, incurred within two (2) years from the date of a **loss**, for medical, hospital, nursing, dental, surgical, ambulance, funeral

and prosthetic services because of **bodily injury**;

- (1) sustained by an **insured person**;
- (2) caused by a **loss**; and
- (3) arising out of the ownership, maintenance or use of a motor vehicle.

Medical and Hospital Benefits Coverage includes payment for non-medical remedial care and treatment rendered in accordance with a recognized religious method of healing. Payment for hospital room charges shall be limited to the amount charged for semiprivate accommodations.

INCOME DISABILITY BENEFITS COVERAGE INSURING AGREEMENT

Subject to **our** Limit of Liability, if **you** pay a premium for Income Disability Benefits Coverage, **we** will pay for **income disability benefits** because of **bodily injury**:

- (1) sustained by an **insured person**;
- (2) caused by a **loss**; and
- (3) arising out of the ownership, maintenance or use of a motor vehicle.

No payment for **income disability benefits** shall be made for any period following the death of the **insured person**.

ACCIDENTAL DEATH BENEFITS COVERAGE INSURING AGREEMENT

If **you** pay a premium for Accidental Death Benefits Coverage, **we** will pay the amount stated on the Declarations Page for Accidental Death Benefits Coverage if an **insured person** dies within one (1) year of the date of a **loss** because of **bodily injury**:

- (1) caused by a **loss**; and
- (2) arising out of the ownership, maintenance or use of a motor vehicle.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

When used in this Part II:

- (1) “**Insured person**” and “**insured persons**” mean:

- (a) **you** or any **relative**; and
 - (b) any other person:
 - (i) while **occupying your insured car**; or
 - (ii) when struck by **your insured car** while a pedestrian, bicyclist, or motorcyclist, or while riding on an animal or in a horse-drawn wagon or cart.
- (2) “**Income disability benefits**” means loss of income from work the **insured person** would have earned, during the period beginning eight (8) days from the date of the **loss** and not exceeding fifty-two (52) weeks, had the **insured person** not sustained **bodily injury**. If the **insured person** did not earn income from work at the time of the **loss**, **income disability benefits** means expenses reasonably incurred, during the period beginning eight (8) days from the date of the **loss** and not exceeding fifty-two (52) weeks, to obtain essential services in lieu of those the **insured person** would have performed, without income, for the benefit of the **insured person** or his or her family, had the **insured person** not sustained **bodily injury**.

EXCLUSIONS

The coverages provided under this Part II do not apply to **bodily injury**:

- (1) sustained by any person, other than **you** or a **relative**, who is a named insured or additional insured under any other valid and collectible automobile insurance policy providing the minimum personal injury protection coverages required by law.
- (2) sustained by any person who intentionally caused such **bodily injury**. The expected and unexpected results of these acts are not covered.
- (3) sustained by any person while in the commission of a **crime**.
- (4) to the extent benefits are paid or payable under any workers’ compensation law, disability benefits law or similar law. However, this exclusion does not

apply to Accidental Death Benefits Coverage.

- (5) sustained by any person while using or **occupying** any motor vehicle **owned** by **you**, other than **your insured car**.
- (6) sustained by a **relative** while using or **occupying** any motor vehicle **owned** by that **relative**, other than **your insured car**.
- (7) sustained by any person arising from the use of a motor vehicle as a residence or premises.
- (8) sustained while **occupying** a motor vehicle while being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, or any other products. This exclusion does not apply to shared expense **car** pools.
- (9) arising out of a **loss** involving a motor vehicle while being used by any person while employed or engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using **your insured car**.
- (10) due to a nuclear reaction or radiation.
- (11) for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of that policy are exhausted.
- (12) sustained by any person while **occupying your insured car** without the express permission of **you** or a **relative**.
- (13) sustained by **you** or a **relative** while **occupying a non-owned car** without the express permission of the owner.
- (14) due to war, declared or undeclared, civil war, insurrection, rebellion or revolution or any act or condition incident to any of the above.
- (15) sustained while **occupying** any motor vehicle having more or less than four wheels.
- (16) resulting from the use of any vehicle for **racing**.
- (17) arising out of the ownership or use of any vehicle,

other than **your insured car** which is owned by or available for regular use by **you, a relative, or a resident**.

- (18) resulting from the use of a **car** by a person specifically excluded.
- (19) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (20) resulting from the use of a vehicle, by any person, including an **insured person**, without a reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a vehicle.

LIMITS OF LIABILITY

The Limit of Liability for Medical and Hospital Benefit Coverage and the Limit of Liability for Accidental Death Benefits Coverage are both shown on the Declarations page.

Our Limit of Liability for Income Disability Benefits Coverage is as follows:

- (1) If the **insured person** earned income from work at the time of the **loss, we** will pay no more than 70% of loss of gross income per week, not to exceed \$140 per week or pro rata for a shorter period.
- (2) If the **insured person** did not earn income from work at the time of the **loss, we** will pay no more than \$70 per week, or pro rata for a shorter period.

The Limits of Liability for the coverages provided under this Part II represent the most **we** will pay for each **insured person** injured in any one accident, regardless of the number of:

- (1) **insured persons;**
- (2) claims made;
- (3) claimants;
- (4) policies;

- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

The total damages recoverable under this Part II shall be reduced by any payment to that person for the same elements of damages under Part I - Liability and Part III—Uninsured/Underinsured Motorist Coverage.

OTHER INSURANCE

- (1) With respect to **bodily injury** sustained by a **relative**, any Medical and Hospital Benefits Coverage or Income Disability Benefits Coverage afforded by this Part II shall be excess over any other similar coverage provided by a motor vehicle insurance policy under which the **relative** is a named insured.
- (2) If **you** or a **relative** are insured under any other motor vehicle insurance policy providing coverage for **income disability benefits** or similar coverage, the most that **you** or a **relative** may recover for **income disability benefits** shall not exceed the amount payable under the policy providing the highest limits of liability.
- (3) No coverage will be provided under this Part II for any person, other than **you** or a **relative**, who is a named insured or additional insured under any other valid and collectible motor vehicle insurance policy providing the minimum personal injury protection coverages required by law.

Subject to 1, 2, and 3 above, if there is other applicable personal injury protection 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 coverage provided under this Part II arising out of the operation of a **loaner vehicle** by **you** will be primary over any applicable insurance provided by a policy issued to the owner of the

loaner vehicle for personal injury protection insurance.

No one shall be entitled to recover duplicate payments for **income disability benefits** or medical and hospital benefits under this or any other motor vehicle insurance policy.

PART III – UNINSURED/UNDERINSURED MOTORISTS

COVERAGE C— UNINSURED/UNDERINSURED MOTORISTS COVERAGE INSURING AGREEMENT

We will pay compensatory damages which an **insured person** is legally entitled to recover from the owner or operator of an:

- (1) **Uninsured or Underinsured motor vehicle** because of **bodily injury**;
 - (a) sustained by an **insured person**; and
 - (b) caused by an accident.
- (2) **Uninsured motor vehicle** because of **property damage** caused by an accident arising out of actual physical contact with **your insured car** if the Declarations indicate Uninsured Motorists Property Damage Coverage applies.

The owner's or operator's liability for these damages must be caused by an accident and arise out of the ownership, maintenance, or use of the **uninsured or underinsured motor vehicle**.

We will pay damages under this coverage caused by an accident with an **underinsured motor vehicle** only if the limits of liability under any applicable bodily injury liability bonds or policies have been exhausted by payments of judgments or settlements.

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

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part:

- (1) **“Insured person”** means:
 - (a) **you;**
 - (b) a **relative** who does not own a **car;**
 - (c) a **relative** who owns a **car**, but only while **occupying your insured car;**
 - (d) any other person occupying your **insured car** with the express permission of **you.**
- (2) **“Property damage”** means injury to or destruction of:
 - (a) **your insured car**, including loss of use;
or
 - (b) any property owned by an **insured person** while contained in **your insured car** at the time of the **loss.**
- (3) **Underinsured motor vehicle** means a land motor vehicle to which a **bodily injury** liability bond or policy applies at the time of the accident, but its limit of liability for **bodily injury** is less than the amount of the **insured person’s** damages.

However, **underinsured motor vehicle** does not include:

- (a) an **uninsured motor vehicle.**
 - (b) any vehicle or equipment owned or operated by a self-insurer under any applicable motor vehicle law.
 - (c) any vehicle or equipment owned by any governmental unit or agency.
 - (d) a vehicle insured under the liability coverage of the same policy of which this Underinsured Motorists Coverage is a part.
- (4) **Uninsured motor vehicle** means a land motor vehicle:
 - (a) to which no liability bond or policy applies at the time of the accident.
 - (b) 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 Arkansas law.

- (c) a hit-and-run vehicle whose owner or operator cannot be identified and which hits:
 - (i) the **insured person**;
 - (ii) a vehicle an **insured person** is **occupying**; or
 - (iii) **your insured car**.
- (d) to which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - (i) denies coverage;
 - (ii) is or becomes insolvent.

However, **uninsured motor vehicle** does not include:

- (a) an **underinsured motor vehicle**.
- (b) any vehicle or equipment owned or operated by self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
- (c) any vehicle or equipment owned by any governmental unit or agency while being used in an unauthorized manner.
- (d) with respect to damages for **property damage** only, if the owner and operator of the at-fault vehicle cannot be identified.

In addition, neither **uninsured** nor **underinsured motor vehicle** includes any vehicle or equipment:

- (a) owned by or furnished or available for the regular use of **you**, a **relative**, or a **resident**.
- (b) operated on rails or crawler treads.
- (c) designed mainly for use off public roads while not on public roads.
- (d) while located for use as a residence or premises.

EXCLUSIONS

This coverage does not apply for **bodily injury** or **property damage**:

- (1) to a person sustained while using a vehicle without the owner's express permission to do so. This includes an **insured person**.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes but is not limited to mail, newspaper, floral, and food delivery.
- (3) to a person if that person or the legal representative of that person makes a settlement without **our** written consent. This includes an **insured person**.
- (4) to property contained in or struck by a motor vehicle, other than **your insured car**, owned by **you, a relative, or a resident**.
- (5) to a person, including an **insured person**, occupying or struck by a motor vehicle owned by **you, a relative, or a resident** which is not insured for this coverage under this policy.
- (6) to a person, including an **insured person**, occupying **your insured car** when used to carry persons or property for a charge. This exclusion does not apply to shared expense **car pools**.
- (7) for the first \$200 of the amount of **property damage** to the property of each **insured person** as the result of any one accident with an **uninsured motor vehicle**. This exclusion does not apply if:
 - (a) we insure **your insured car** for both collision and uninsured motorists property damage coverage; and
 - (b) the operator of the **uninsured motor vehicle** is positively identified and is solely at fault.
- (8) resulting from the use of a **car** by a person or persons specifically excluded.
- (9) for **punitive or exemplary damages**.

- (10) to an **insured person** claiming Uninsured/ Underinsured Motorists Coverage who does not notify the police within 24 hours if a hit and run driver is involved.
- (11) for **diminution in value**.
- (12) a motorized vehicle or device of any type designed to be operated on the public road that is **owned by you** or a **relative**, other than **your insured car**.
- (13) sustained while **your insured car** is being used or driven by a person while employed or engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you** or a **relative**, when using **your insured car**.
- (14) resulting from any prearranged or organized **racing** contest.
- (15) due to a nuclear reaction or radiation.
- (16) for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of that policy are exhausted.
- (17) to a **utility trailer**.
- (18) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (19) resulting from the use of a vehicle, by any person, including an **insured person**, without reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a motor vehicle.
- (20) while **occupying** any motorized vehicle having more or less than four wheels.
- (21) while **occupying** a vehicle located for use as a residence or premises.

This coverage shall not apply directly or indirectly to benefit:

- (a) any insurer or self-insurer under any disability benefits law or similar law.
- (b) any insurer of property.

We do not provide Uninsured/Underinsured Motorists Coverage for punitive or exemplary damages.

LIMITS OF LIABILITY

- (1) The limits of liability shown in the Declarations for Uninsured Motorists Coverage or Underinsured Motorists Coverage apply subject to the following:
 - (a) the **bodily injury** liability limits for “each person” is the maximum we will pay as damages for **bodily injury** to one person in one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
 - (b) subject to the **bodily injury** liability limit for “each person,” the **bodily injury** liability limit for “each accident” is the maximum we will pay as damages for all **bodily injury** to two or more persons in any one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
 - (c) the **property damage** liability limit for “each accident” is the maximum we will pay for all damages to property in one accident.
- (2) In determining the amount payable under this Part III, the amount of the damages sustained by the **insured person** due to **bodily injury** shall be reduced by all sums:
 - (a) paid by or on behalf of any persons or organizations that may be legally responsible, including, but not limited to, all sums paid under Part I – Liability To Others.

- (b) paid under Part II—Personal Injury Protection Coverage.
 - (c) paid or payable because of **bodily injury** under any disability benefit law or similar laws.
- (3) The Limits of Liability under this Part III for **property damage** shall be reduced by all sums paid:
- (a) because of **property damage** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part I—Liability; and
 - (b) under Part IV— Car Damage for **property damage**.
- (4) **Our** Limit of Liability under this Part III for **property damage** arising out of one accident is the lowest of:
- (a) the actual cash value of the **property damage** at the time of the accident, reduced by the applicable deductible, and by its salvage value if **you** or the owner retain the salvage.
 - (b) the amount necessary to replace the **property damage**, reduced by the applicable deductible, and by its salvage value if **you** or the owner retain the salvage.
 - (c) the amount necessary to repair the **property damage** to its pre-loss condition, reduced by the applicable deductible.
 - (d) any limit of liability shown on the Declarations Page for **property damage** under this Part III, reduced by the salvage value of the **property damage** if **you** or the owner retain the salvage.
- (5) Payments for **property damage** under this Part III are subject to the following provisions:
- (a) any amount payable under this Part III for **property damage** shall be subject to the deductible shown on the Declarations Page;
 - (b) no more than one deductible shall be applied to any one accident;

- (c) the deductible under this Part III shall not apply if:
 - (i) the operator of the **uninsured motor vehicle** has been positively identified and is solely at fault; and
 - (ii) **your insured car** is insured for collision coverage under Part IV—Car Damage.
- (d) an adjustment for **depreciation** and physical condition, including betterment, will be made in determining the Limit of Liability at the time of the **loss**; and
- (e) IN THE REPAIR OF **YOUR INSURED CAR** UNDER THE CAR DAMAGE COVERAGE PROVISIONS OF THIS POLICY, **WE** MAY REQUIRE OR SPECIFY THE USE OF MOTOR VEHICLE PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. THESE PARTS ARE REQUIRED TO BE AT LEAST EQUAL IN TERMS OF FIT, QUALITY, PERFORMANCE, AND WARRANTY TO THE ORIGINAL MANUFACTURER PARTS THEY REPLACE.

Any payment made to a person under this Part III shall reduce any amount that the person is entitled to recover for the same elements of damages under Part I—Liability or for **loss** under Part IV—Car Damage.

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

Any judgment or settlement for damages against an operator or owner of an **uninsured motor vehicle** or **underinsured motor vehicle** which arises out of a lawsuit brought without **our** written consent is not binding to **us**.

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

The “each person” limit of liability includes the total

of all claims made for **bodily injury** to an **insured person** and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

We will pay no more than the maximum limit of liability as shown in the Declarations for Uninsured Motorists Coverage or Underinsured Motorists Coverage regardless of the number of:

- (1) **insured persons**;
- (2) claims made;
- (3) claimants;
- (4) policies;
- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown in the Declarations or premiums paid, the limits for any coverage under this policy may not be added to the limits for similar coverage applying to other motor vehicles to determine the limit of insurance coverage available for **bodily injury** suffered by a person in any one accident.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage:

- (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.
- (4) However, any insurance **we** provide under this Part III will be primary over any applicable insurance provided by a policy issued to the owner of a **loaner vehicle** if **you** are operating the **loaner vehicle** involved in an accident and:
 - (a) an **insured person** sustains bodily injury; or
 - (b) the **loaner vehicle** sustains property damage.

TRUST AGREEMENT

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

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

- (6) An **insured person** under this coverage must do nothing before or after a **loss** to prejudice **our** rights of recovery from any **uninsured** or **underinsured** motorists.

ARBITRATION

If **we** and an **insured person** cannot agree on:

- (1) the legal liability of the operator or owner of the **uninsured motor vehicle**; or
- (2) the amount of damages sustained by the **insured person**:

This will be determined by arbitration if **we** and the **insured person** agree to arbitration prior to the expiration of the bodily injury statute of limitations in the **state** in which the accident occurred.

If **we** and the **insured person** agree to arbitration, each party shall select an arbitrator. The two arbitrators will select a third. If the two arbitrators cannot agree on a third arbitrator within thirty (30) days, then on joint application by the **insured person** and **us**, the third arbitrator will be appointed by a court having jurisdiction.

Each party will pay the costs and fees of its arbitrator and any other expenses it incurs. The costs and fees of the third arbitrator will be shared equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resided. Local rules of procedure and evidence will apply.

A decision agreed to by two of the arbitrators will determine:

- (1) the legal liability of the operator or owner of the **uninsured motor vehicle**; and
- (2) the amount of the damages sustained by the **insured person**;

but will not be binding on either the **insured person** or **us**. The arbitrators shall have no authority to award an amount in excess of the limit of liability.

PART IV – CAR DAMAGE

COVERAGE D—CAR DAMAGE COVERAGE INSURING AGREEMENT

We will pay for loss to your insured car:

- (1) caused by **collision**; or
- (2) not caused by **collision**

less any applicable deductibles shown in the Declarations. Coverage does not apply under this Part for a **car** or **utility trailer** not owned by **you** other than **your insured car**.

LOSS SETTLEMENT

We may pay the **loss** in money or repair or replace damaged or stolen property. **We** may, at any time before the **loss** is paid or the property is replaced, return, at **our** expense, any stolen property either to **you** or to the address shown in the Declarations, with payment for any resulting damage. **We** may keep all or part of the property at the agreed or appraised value. **You** do not have the right to abandon salvage to **us**.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part:

- (1) “**Your insured car**” means:
 - (a) the vehicle listed in the Declarations for this coverage.
 - (b) a vehicle **you** acquire during the policy period provided:
 - (i) it replaces the vehicle which was insured under the Car Damage portion of this policy; and
 - (ii) **you** notify **us** within 30 days of the date you acquire it. When **you** ask **us** to add Car Damage Coverage for the replacement **car**, such coverage will be in effect no earlier than the time and day on which **you** ask **us** to add the coverage. If **you** ask **us** to add Car Damage Coverage in writing, the coverage will not be in effect until 12:01

A.M. on the day following the date of the postmark shown on the envelope containing your request. If a postage meter is used on the envelope containing **your** request to add Car Damage Coverage, coverage will be in effect no earlier than the time and day **your** request is received by **us**. All insurance for the **car** being replaced is ended when **you** take delivery of the replacement **car**.

- (c) a **car** or **utility trailer** not owned by or furnished or available for the regular use of **you**, a **relative** or a **resident** while being used with the express permission of the owner.
- (2) “**Insured person**” means:
 - (a) **you**, a **relative**, or **resident**.
 - (b) any person using **your insured car** with **your** express permission.
- (3) “**Collision**” means the impact of **your insured car** with another object or upset of **your insured car**. **Loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is **loss** not caused by **collision**.
- (4) “**Loss**” means sudden, direct and accidental loss of or damage to:
 - (a) **your insured car**; or
 - (b) its original equipment, as available and permanently installed by the manufacturer as part of a standard option package at the time of purchase.

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

- (5) “**Special Equipment**” means equipment that was not installed by the manufacturer as part of a standard option package at the time of purchase. This includes but is not limited to:
 - (a) radios, stereos, CD players, tape or

- cassette players, and their accessories;
- (b) camper shells, toppers, and bed liners;
- (c) custom interior work such as carpeting, seats, paneling, or furniture;
- (d) any equipment that modifies the vehicles standard appearance or performance;
- (e) T-tops, moon roofs, sun roofs, nose bras, custom wheels and tires, custom paint work, decals and graphics;
- (f) **utility trailers**; or
- (g) **sound reproducing equipment**.

CAR STORAGE COVERAGE

We will pay up to \$10 a day with a maximum of \$300 for the cost of storage of **your insured car** in the event of a **loss to your insured car** for which coverage is provided under this Part.

EXCLUSIONS

We do not cover **loss**:

- (1) to **your insured car** while used to carry persons or property for a charge. This includes rental of **your insured car** to others. This exclusion does not apply to shared expense **car** pools.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes, but is not limited to, mail, floral, and food delivery.
- (3) caused by war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequences of any of these.
- (4) to **sound reproducing equipment** not permanently installed in the dash or console opening of **your insured car**.
- (5) to tapes, compact discs, or similar items used with **sound receiving equipment**.
- (6) to **sound receiving equipment** or transmitting equipment designed for use as citizens band radios, two-way mobile radios, telephones, scanning monitor receivers, radar detectors, television sets, video cassette recorders, audio

- cassette recorders, personal computers, their accessories or antennas.
- (7) to awnings, cabanas, or equipment designed to provide living facilities.
 - (8) resulting from prior **loss** or damage, manufacturer's defects, wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires. However, coverage does apply if the damage is the result of other **loss** covered by this policy.
 - (9) to **your insured car** due to destruction or confiscation by governmental authorities because of use in illegal activities, or failure to bring it into compliance with the Environmental Protection Agency or the Department of Transportation.
 - (10) to **special equipment**.
 - (11) to refrigeration, cooling, or sleeping facilities.
 - (12) to any vehicle used for **racing**.
 - (13) caused by the theft or conversion of **your insured car** by a person **you** have voluntarily entrusted **your insured car** to. This exclusion does not apply when **your insured car** is stolen from the person **you** loaned the **car** to, if the theft is reported to the police within 24 hours of the **loss**.
 - (14) to **your insured car** arising out of or during its use for the transportation of any:
 - (a) explosive substance;
 - (b) flammable liquid; or
 - (c) similar hazardous materials;except transportation incidental to **your** ordinary household or farm activities.
 - (15) to clothes, tools, or personal effects.
 - (16) to **your insured car** caused by or resulting from **you** acquiring **your insured car** from the seller without legal title available to **you**.
 - (17) to any equipment which mechanically or structurally changes **your insured car** and results in an increase in performance.

- (18) to **your insured car** while being used by an **insured person** while in the commission of a **crime**.
- (19) to **your insured car** caused intentionally by or at the direction of an **insured person**. The expected and unexpected results of these acts are not covered.
- (20) to **your insured car** while being operated by a person or persons specifically excluded.
- (21) to any vehicle not owned by **you** not caused by **collision**.
- (22) to any vehicle that is subject to any bailment lease, conditional sale or consignment agreement, not specifically declared and described in this policy.
- (23) to **your insured car** due to **diminution in value**.
- (24) resulting from using a vehicle without a reasonable belief that the **person**, including an **insured person**, is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a vehicle.
- (25) resulting from the use by any **person**, including an **insured person**, who is not a properly licensed or legally licensed driver, or is in violation of any condition of their driving privileges.

LIMIT OF LIABILITY

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

- (1) the actual cash value of **your insured car** which was stolen or damaged; or
- (2) the amount necessary to repair or replace **your insured car** which was stolen or damaged; or
- (3) the amount necessary to repair or replace a **utility trailer** not owned by **you**, a **relative** or **resident** subject to a maximum of \$500.

However, in the event that the coverage applies to a **car you** do not own, **our** liability is limited to the highest actual cash value of **your insured car** described in the Declarations for which Car Damage Coverage has been purchased.

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

OTHER INSURANCE

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

Any insurance **we** provide for a **loaner vehicle** will be primary over any applicable insurance provided by a policy issued to the owner of the **loaner vehicle** for a **loss** arising out of **your** use of the **loaner vehicle**.

APPRAISAL

If **we** cannot agree with **you** on the amount of a **loss**, then **we** and **you** may agree to appraisal of the **loss**. If the parties agree to appraisal, each party shall appoint a competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraiser. If the two appraisers are unable to agree upon an umpire within fifteen (15) days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of **loss**. The amount of **loss** agreed to by both appraisers, or by one appraiser and the umpire, will determine the amount payable under this Part IV, but will not be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. Payment of the umpire and all other expenses of the appraisal will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

NO BENEFIT TO BAILEE

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

PART V – GENERAL PROVISIONS

NOTICE TO COMPANY

Your notice to **our** authorized agent will be deemed to be notice to **us**.

POLICY PERIOD, TERRITORY

This policy applies only to accidents and losses during the policy period shown in the Declarations and occurring within the United States of America, its territories or possessions, or between their ports and Canada.

CHANGES IN YOUR POLICY

This policy, the application, any endorsements, any offer of reinstatement, any lapse in coverage form, and the Declarations include all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effectuated in this policy except by endorsement issued by **us**. Messages left after normal business hours will not affect coverage. All changes are subject to underwriting review and approval. If a premium adjustment is necessary, **we** will make it as of the effective date of the change. When **we** broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective.

The premium for each term of this policy is determined by information in **our** possession at the inception date of that term. Any change in this information which would affect the rating of **your** policy gives **us** the right to make an additional charge or refund on a pro-rata basis.

REGARDLESS OF PREMIUM CHANGE, YOU HAVE A DUTY TO INFORM US OF ANY SUCH CHANGE (including, but not limited to, change in vehicles, use of vehicles, Named Insured's and additional drivers' occupations, marital status, garaging address, **residents** in household, children

eligible to drive, drivers' physical condition, medication, or moving out of the State of Arkansas).

TERMS OF POLICY CONFORMED TO STATUTES

If any provision of this policy fails to conform with the legal requirements of the **state** listed on **your** application as **your** residence, the provisions shall be deemed amended to conform with such legal requirements. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provision of this policy shall be governed by the law of the **state** listed on **your** application as **your** residence.

SUITS AGAINST US

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

No suit or action whatsoever shall be brought against **us** for the recovery of any claim under Part III - Uninsured/Underinsured Motorists coverage unless same is commenced within the time allowed by law.

If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

OUR RECOVERY RIGHTS

In the event of a payment under this policy, **we** are entitled to all the rights of recovery that the **insured person** to whom payment was made has against another after the **insured person** has been fully compensated for their **loss**. That person or organization must sign and deliver to **us** any legal papers relating to that recovery. They must also do whatever else is necessary to help **us** exercise those rights and do nothing after **loss** to harm **our** rights.

However, **we** may not assert rights of recovery against any person who was using **your insured car** with **your** express permission for any payment made under Part IV—Car Damage.

When an **insured person** has been paid by **us** under this policy and also recovers from another person, entity, or organization, the amount recovered will be held by the **insured person** in trust for **us** and reimbursed to **us** to the extent of **our** payment. However, this shall not apply to payment by **us** under any Accidental Death Benefits Coverage provided under Part II of this policy.

If recovery is made by an **insured person** under this policy from a responsible person, entity or organization without **our** written consent, the **insured person's** right to payment under any affected coverage will no longer exist.

Our right of recovery does not apply to underinsured motorist benefits if:

- (1) the **insured person** sends **us** written notice, in accordance with the requirements of Part III—Uninsured/Underinsured Motorist Coverage, of any tentative settlement agreement reached with owner or operator of an **underinsured motor vehicle**, or such person's liability insurer; and
- (2) **we** fail to pay the sum offered in settlement to the **insured person** by the owner or operator of an **underinsured motor vehicle**, or that person's liability insurer, within thirty (30) days of **our** receipt of such notice.

Our right of recovery does not apply to underinsured motorist benefits to the extent of any payment **we** have made to the **insured person** under a policy of liability insurance issued by **us** to the **owner** or operator of an **underinsured motor vehicle**.

JOINT AND INDIVIDUAL INTERESTS

If there is more than one named insured on this policy, any named insured may cancel or change this policy. The action of one named insured shall be binding on all persons provided coverage under this policy.

ASSIGNMENT

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

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

BANKRUPTCY

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person**. If execution of a judgment against the **insured person** is returned unsatisfied because of the insolvency or bankruptcy, in an action brought by the injured person or his or her personal representative in case death results from the **loss**, then an action may be maintained by the injured person or their personal representative against **us** for the amount of the judgment in the action not exceeding **our** limits of liability.

PAYMENT OF PREMIUM

If **your** initial premium is by check, draft, or any remittance other than cash, coverage under this policy is conditioned upon the check, draft, or remittance being honored upon presentment to the bank or other financial institution. If the check, draft, or remittance is not honored upon presentment, this policy may, at **our** option, be deemed void from its inception. This means that **we** will not be liable under this policy for any claims or damages which would otherwise be covered if the check, draft, or remittance had been honored upon presentment.

A charge may be added to **your** account if:

- (1) **you** tender a check, draft, or remittance or other method of payment to **us** for any full or partial payment of **your** premium, other than **your** initial payment, and the check, draft, remittance or other method of payment is returned to **us** or refused because of insufficient funds, a closed account, or a stop payment order; or
- (2) **your** premium payment is received after the due date but prior to cancellation.

CANCELLATION AND NON-RENEWAL

This policy may be canceled during the policy period as follows:

- (1) **You** may cancel by:
 - (a) returning this policy to **us**; or
 - (b) giving **us** advance written notice of the future date cancellation is to take effect.
- (2) **We** may cancel by mailing to **you** at the address shown in the Declarations:
 - (a) at least 10 days notice:
 - (i) if cancellation is for nonpayment of premium; or
 - (b) at least 20 days notice in all other cases;
 - (c) **we** may cancel this policy for any reason within the first 59 days of the initial policy period.
- (3) After this policy is in effect for 59 days, or if this is a renewal, **we** will cancel only:
 - (a) for nonpayment of premium; or
 - (b) loss of driving privileges during the policy period, or, if this is a renewal policy, during the policy period or the one hundred and eighty (180) days immediately preceding the effective date of renewal, through suspension or revocation of **your** operator's license or motor vehicle registration, or the license or registration of any other operator who either resides in the same household as **you** or who customarily operates **your insured car**. However, **we** will not cancel **your** policy solely due to an administrative revocation or suspension of an operator's license pursuant to Arkansas Code §5-65-104; or
 - (c) **you** or any driver of **your insured car** have been convicted of:
 - (i) driving while intoxicated;
 - (ii) homicide or assault arising out of the use of a motor vehicle; or
 - (iii) three separate convictions of speeding or reckless driving, or any combination of the two, during the

policy period or the three months prior to the effective date of the policy; or

- (d) for fraud, willful misrepresentation or concealment on the part of any insured with respect to a material fact or circumstance relating to the issuance or continuation of this policy; or
- (e) for any other reason allowed by law.

If **we** decide not to renew this policy, **we** will mail notice to **you** at the address shown in the Declarations. Notice will be mailed at least 20 days before the end of the policy period.

Proof of mailing any notice shall be sufficient proof of notice. The effective date of cancellation stated in a notice is the end of the policy period.

Upon cancellation, **you** may be entitled to a premium refund. **Our** making or offering a refund is not a condition of cancellation.

If **we** cancel this policy for a reason other than non-payment of premium, any refund due will be computed on a daily pro-rata basis.

If cancellation is at **your** request, or for **your** non-payment of premium, a cancellation fee of \$25 will apply.

If **you** or **we** cancel, any premium due to **you** of \$10.00 or less will be refunded to **you** only upon **your** written request.

With regards to abandoned property as defined by the Unclaimed Property Act, any property deemed abandoned is subject to a monthly processing and holding charge of \$10.00 per month. This charge shall occur each consecutive month that the property remains unclaimed until such time the value of the abandoned property equals zero dollars.

All policies are subject to a minimum of \$50 earned premium.

AUTOMATIC TERMINATION

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

We will mail or deliver any premium billing notice

for renewal of this policy to **you**, at the address shown in the Declarations.

Coverage under this policy will terminate automatically:

- (1) If the down payment check for a new business policy or renewal term is not honored by the bank, the policy will be rescinded and no coverage will be afforded.
- (2) If other insurance is obtained on **your insured car**, similar insurance afforded under this policy for that **car** will cease on the effective date of the other insurance.
- (3) When a person other than an **insured person** becomes the owner of **your insured car**.

FRAUD AND MISREPRESENTATION

The statements made by **you** in the application are deemed to be **your** representations. If any representation contained in the application is false, misleading or materially affects the acceptance or rating of this risk by **us**, by either direct misrepresentation, omission, concealment of facts, or incorrect statements, this policy will be null and void from its inception.

If any representation contained in any notification of change is false, misleading or materially affects the acceptance or rating of this risk by **us**, by either direct misrepresentation, omission, concealment of facts, or incorrect statements, this policy will be null and void from the effective date of the change.

This policy will be voidable at **our** option if **you** or an **insured person** or any other individual act at or by the direction of **you** or any **insured person has**:

- (1) concealed or misrepresented any material fact;
or
- (2) committed or attempted fraud concerning any matter regarding this policy whether before or after a **loss**.

If **we** void this policy, this shall not affect coverage under Part I—Liability of this policy for a **loss** that occurs before **we** notify the named insured that the policy is void.

You have an ongoing duty to notify **us** if there is a material change in the risk or exposure that might affect the rating of your policy. (See “Changes In Your Policy” on page 37-38.)

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

NOTICE OF ACCIDENT OR LOSS

In the event of an accident or **loss**, notice must be given to **us** promptly. The notice must give the time, place, and circumstances of the accident or **loss**, including the names and addresses of injured persons and witnesses.

FAILURE TO PROMPTLY REPORT A LOSS OR ACCIDENT TO US MAY JEOPARDIZE YOUR COVERAGE UNDER THIS POLICY.

WE WILL NOT PAY FOR ANY JUDGMENT RENDERED AGAINST YOU PRIOR TO OUR RECEIVING ACTUAL NOTICE OF THE LAWSUIT.

OTHER DUTIES

A person claiming any coverage under this policy must also:

- (1) cooperate with **us** and assist **us** in any matter concerning a claim or suit, including presence at a trial.
- (2) send **us** promptly any legal papers received relating to any claim or suit.
- (3) submit to physical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require.
- (4) authorize **us** to obtain medical and other records including but not limited to credit and financial records.
- (5) submit a proof of loss under oath if required by **us**.
- (6) submit to an examination under oath as often as may be reasonably required.
- (7) upon **our** request, allow **us** to obtain a written or recorded statement concerning the circumstances of the claim and any damages claimed.

UNINSURED/UNDERINSURED MOTORISTS

A person claiming Uninsured/Underinsured Motorists Coverage must also notify the police within 24 hours of the accident if a hit-and-run driver is involved.

An **insured person** shall send to **us**, by certified mail, return receipt requested, written notice of any tentative settlement agreement reached with the owner or operator of an **underinsured motor vehicle**, or that person's liability insurer. However, this notice requirement shall not apply when **we** are making that offer of settlement as insurer of the owner or operator of the **underinsured motor vehicle**. The notice shall include:

- (1) written documentation of economic losses incurred, including copies of all medical bills;
- (2) written authorization or a court order allowing **us** to obtain medical reports from all employers and medical providers;
- (3) written confirmation from the owner or operator's liability insurer as to the amount of the liability limits and the terms of the settlement agreement. The agreement shall not include any sum representing **punitive or exemplary damages**.

Within thirty (30) days of **our** receipt of written notice of the tentative settlement agreement, **we** may pay the sum offered in the settlement to the **insured person**. If **we** do this, **we** are entitled to subrogate to the extent of **our** payment to the **insured person's** right of recovery against the owner or operator of the **underinsured motor vehicle** and the **insured person** must assign to **us** all rights to any amount subsequently paid from all applicable liability bonds and policies.

CAR DAMAGE

A person claiming Car Damage Coverage must also:

- (1) take reasonable steps after **loss** to protect the **car** and its equipment from further **loss**. **We** will pay reasonable expenses incurred in providing that protection.

- (2) report a theft of the **car** or its equipment to the police within 24 hours of discovering the theft.
- (3) allow **us** to inspect and appraise the damaged **car** before its repair or disposal.

In Witness Whereof, the company has caused this policy to be executed and attested.



Senior Vice President

President

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF TLC-0899 APPEARS ON
THE DECLARATIONS PAGE.**

**TOWING AND LABOR COVERAGE
ENDORSEMENT**

If **you** pay a premium for Towing and Labor Coverage, **we** will pay for towing and labor costs incurred by **you** each time **your insured car**, is disabled, subject to the Limit of Liability shown on the Declarations Page, provided that the labor is performed at the place of disablement.

All other terms and conditions of your Personal Car Policy remain unchanged.

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF RRC-0899 APPEARS ON
THE DECLARATIONS PAGE.**

**RENTAL REIMBURSEMENT COVERAGE
ENDORSEMENT**

If **you** pay a premium for Rental Reimbursement Coverage, **we** will reimburse **you** for reasonable and necessary rental charges actually incurred by **you**, subject to the Limit of Liability shown on the Declarations Page for the loss of use of **your insured car** because of damage covered under Car Damage Coverage to **your insured car**. In the event of the total theft of **your insured car**, **we** will only consider expenses incurred beginning 48 hours after the theft is reported to a law enforcement agency.

Rental charges will be reimbursed beginning when **your insured car** cannot be driven due to a covered loss or when **your insured car** is delivered to a repair shop for repairs due to a covered loss.

Your insured car must be continuously withdrawn from normal use for more than 24 hours.

The coverage period ends when **your insured car** is returned to use or **we** make a settlement to pay the actual cash value of **your insured car**.

You must provide us written proof of **your** rental charges. Credit card receipts are not sufficient proof.

All other terms and conditions of your Personal Car Policy remain unchanged.

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF ENDORSEMENT
NUMBER AIN 0698 APPEARS ON THE
DECLARATIONS PAGE.**

**ADDITIONAL INSURED-LEASED MOTOR
VEHICLES**

It is agreed:

- (1) that the **car** described in the Declarations shall be considered as owned by **you** while it is leased to **you** under a long-term contract from the owner whose name appears on the Declarations Page.
- (2) **you** are covered as the named insured.
- (3) under Part I – Liability, the owner shall be covered as an **insured person**.
- (4) under any Car Damage Coverage of Part IV of the policy that is in force, a **loss** shall be payable to **you** and the owner as the interests of each may appear.
- (5) this policy will not be changed or terminated as to the interest of the owner of the **car** without 10 days written notice to the owner.
- (6) there is no coverage while the **car** is loaned, rented or leased by the owner to any party other than **you**.
- (7) an additional insured has no greater rights under this policy than the named insured. Where coverage is denied to the named insured, coverage is also denied to the additional insured.

**THE FOLLOWING ENDORSEMENT APPLIES
ONLY IF ENDORSEMENT NUMBER LPC 0698
APPEARS ON THE DECLARATIONS PAGE.**

LOSS PAYABLE CLAUSE

We will pay **loss** or damage due under this policy according to **your** interest and that of the loss payee if one is shown in the Declarations. **We** may make separate payments according to those interests.

The loss payee has no greater rights under this

policy than the Named Insured. Where coverage is denied to the Named Insured, coverage is also denied to the loss payee.

We may cancel this policy according to its terms.

We will protect the loss payee's interest for:

- (1) 10 days after **we** mail them notice that the policy will terminate for non payment of premium.
- (2) 20 days after we mail them notice that the policy will terminate in all other cases.

If **we** pay the loss payee for any loss or damage suffered during that period, **we** have the right to recover the amount of any such payment to **you**.

If **you** fail to give proof of loss within the time allowed, the loss payee may protect its interest by filing a proof of loss within 30 days after that time.

The loss payee must notify **us** of any known change of ownership or increase in the risk. If it does not, it will not be entitled to any payment under this protection.

If **we** pay the loss payee under the terms of this protection for a **loss** not covered under the policy, **we** are subrogated to its rights against **you**. This will not affect the loss payee's right to recover the full amount of its claim. The loss payee must assign **us** its interest and transfer to **us** all supporting documents if **we** pay the balance due to the loss payee on the vehicle.

When the deductible amount shown in the Declarations Page for Car Damage coverage is less than \$250, the deductible amount applicable to losses payable to the loss payee under this coverage shall be \$250.

This deductible amount applies only when the covered automobile has been repossessed by or surrendered to the loss payee and the interest of the loss payee has become impaired.

All other losses payable under Part IV - Car Damage are subject to the deductible amount shown in the Declarations.

NOTICE TO POLICYHOLDERS

We are here to serve you.

As our policyholder, your satisfaction is very important to us. If you have a question about your policy, if you need assistance with a problem, or if you have a claim, you should first contact your insurance agent or us at (812) 858-4100. Should you have a valid claim, we fully expect to provide a fair settlement in a timely fashion.

Should you feel you are not being treated fairly with respect to a claim, you may contact the Arkansas Insurance Department with your complaint. To contact the Department, write or call:

Consumer Services Division
Arkansas Insurance Department
1200 W. 3rd Street
Little Rock, AR 72201-1904
1-800-852-5494 or 501-371-2640

INDEX

	PAGE
AGREEMENT	
Definitions Used Throughout This Policy	3-6
PART I – LIABILITY	
Coverage A- Liability Coverage Insuring Agreement	6-7
Additional Definitions Used In This Part Only	7
Additional Payments	7-8
Exclusions	8-10
Federal Tort Claims Act Exclusion	10
Conformity With State Financial Responsibility Laws	11
Out of State Insurance	11
Limits of Liability	11-12
Other Insurance	13
Right of Direct Action	13
PART II—PERSONAL INJURY PROTECTION COVERAGE	
Coverage B- Personal Injury Protection Coverage Insuring Agreements	
Medical and Hospital Benefits Coverage Insuring Agreement	13-14
Income Disability Benefits Coverage Insuring Agreement	14
Accidental Death Benefits Coverage Insuring Agreement	14
Additional Definitions Used In This Part Only	14-15
Exclusions	15-17
Limits of Liability	17-18
Other Insurance	18-19
PART III—UNINSURED/UNDERINSURED MOTORISTS	
Coverage C- Uninsured/Underinsured Motorists Coverage Insuring Agreement	19
Additional Definitions Used In This Part Only	20-21
Exclusions	22-24
Limits of Liability	24-27
Other Insurance	27-28
Trust Agreement	28-29
Arbitration	29

PART IV—CAR DAMAGE

Coverage D- Car Damage Coverage	
Insuring Agreement	30
Loss Settlement	30
Additional Definitions Used In This Part	
Only	30-31
Car Storage Coverage	32
Exclusions	32-34
Limit of Liability	34-35
Other Insurance	35
Appraisal	35
No Benefit To Bailee	36

PART V – GENERAL PROVISIONS

Notice To Company	36
Policy Period, Territory	36
Changes In Your Policy	36-37
Terms of Policy Conformed to Statutes	37
Suits Against Us	37
Our Recovery Rights	37-38
Joint & Individual Interests	38
Assignment	39
Bankruptcy	39
Payment of Premium	39
Cancellation and Non-Renewal	40-41
Automatic Termination	41-42
Fraud and Misrepresentation	42-43

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

Notice of Accident or Loss	43
Other Duties	43
Uninsured/Underinsured Motorists	44
Car Damage	44-45

**TOWING AND LABOR COVERAGE
ENDORSEMENT**

45

**RENTAL REIMBURSEMENT
COVERAGE ENDORSEMENT**

46

**ADDITIONAL INSURED-LEASED
MOTOR VEHICLES**

47

LOSS PAYABLE CLAUSE

47-48

NOTICE TO POLICYHOLDERS

49

AGREEMENT

We agree with **you**, in return for **your** premium payment, to insure **you** subject to the terms of this policy. **We** will insure **you** for the coverages and Limits of Liability for which a premium is shown in the Declarations of this policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

- (1) **“We,” “us,” and “our”** mean the Company providing this insurance.
- (2) **“You” and “your”** mean the Policyholder named in the Declarations and spouse if living in the same household.
- (3) **“Auto business”** means the **business** or occupation of selling, leasing, repairing, servicing, delivering, testing, storing or parking cars.
- (4) **“Bodily injury”** means bodily harm, sickness, disease or death, but does not include emotional distress, mental injury or any similar injury.
- (5) **“Business”** includes trade, profession, or occupation.
- (6) **“Car”** means a licensed and registered automobile of the private passenger type designed for use upon a public road. **“Car”** also means a vehicle with a load capacity of 1,500 pounds or less of the pick-up or van type not used in any **business**. This definition shall not include:
 - (a) motorcycles;
 - (b) midget cars;
 - (c) golf mobiles;
 - (d) tractors;
 - (e) farm machinery;
 - (f) any vehicle operated on rails or crawler treads;
 - (g) any vehicle used as a residence or premises; or
 - (h) go carts.
- (7) **“Crime”** means any felony and any act of eluding the police.

- (8) “**Depreciation**” means decline of value due to wear and tear or obsolescence.
- (9) “**Diminution in value**” means the actual or perceived loss in market or resale value of property, which results from a **loss**.
- (10) “**Loaner Vehicle**” means a **car** operated by **you** that is:
 - (a) loaned to **you** by a duly licensed automobile dealer:
 - (i) as a temporary substitute for **your insured car** while **your insured car** is out of use because of its breakdown, repair or servicing, or
 - (ii) for use as a demonstration vehicle.
 - (b) rented or leased from a rental company that is in the business of providing primary private passenger vehicles to the public under a written rental agreement for a period not to exceed 90 days.
- (11) “**Loss**” means sudden, direct, and accidental loss or damage, arising out of the ownership, maintenance or use of a motor vehicle.
- (12) “**Non-owned car**” means a **car** used by **you** with the express permission of the owner and not owned by, furnished, or available for the regular use of **you**, a **relative**, or a **resident**.
- (13) “**Occupying**” means in, on, getting into or out of.
- (14) “**Private passenger car**” means a **car** of the private passenger type with not less than four wheels. This definition shall not include a van or pick-up truck.
- (15) “**Punitive or Exemplary Damages**” means damages which may be imposed to punish a wrongdoer and to deter others from similar conduct.
- (16) “**Property damage**” means damage to or destruction of tangible property, including loss of its use.
- (17) “**Racing**” means preparation for any **racing**, speed, off-road, demolition or stunting contest or activity. **Racing** also includes

participation in the event itself, whether or not such event, activity or contest is organized.

- (18) “**Relative**” means a person living in **your** household and related to **you** by blood, marriage or adoption, including a ward or foster child. Any **relative** 15 years of age or older must be disclosed to **us** in the application or other writing.
- (19) “**Resident**” means a person, other than a **relative**, living in **your** household. Any **resident** 15 years of age or older must be disclosed to **us** in the application or other writing.
- (20) “**Sound Reproducing Equipment**” means any electronic equipment, antennas, and any other devices used exclusively to send or receive audio, visual, or data signals, or to play back recorded media, other than those which were installed by the vehicle manufacturer as a part of a standard option package.
- (21) “**State**” means the District of Columbia and any **state** of the United States of America.
- (22) “**Utility trailer**” means a vehicle designed to be towed by a **private passenger car**.
- (23) “**Your insured car**” means:
- (a) the **car** owned by **you** described in the Declarations.
 - (b) a **car** you acquire during the policy period. The **car** must replace the **car** described in the Declarations. It will have the same coverages as the **car** it replaced with the exception of Car Damage Coverage. If you want Car Damage Coverage to apply to the replacement **car**, **you** must notify **us** within 30 days of the date **you** acquire it.

When **you** ask **us** to add Car Damage Coverage for the replacement **car**, such coverage will be in effect no earlier than the time and day on which you ask us to

add the coverage. If **you** ask **us** to add Car Damage Coverage in writing, the coverage will not be in effect until 12:01 A.M. on the day following the date of the postmark shown on the envelope containing your request. If a postage meter is used on the envelope containing **your** request to add Car Damage Coverage, coverage will be in effect no earlier than the time and day **your** request is received by **us**. All insurance for the **car** being replaced is ended when **you** take delivery of the replacement **car**.

- (c) a **car you** acquire during the policy period if it is in addition to any **car** described in the Declarations. **We** will provide the same coverages, exclusive of Car Damage Coverage, that **we** currently provide for any **car** shown on the Declarations.

These provisions apply only if, on the date **you** acquired the additional **car**, **we** insure all cars **you** own, and **you** ask **us** to insure the additional **car** within 30 days of the date **you** acquire it.

- (d) any substitute **car** or **utility trailer** not owned by **you**, a **relative**, or a **resident** being temporarily used by **you** with the express permission of the owner. The **car** must be a substitute for another **car** covered which is withdrawn from normal use due to breakdown, repair, servicing, **loss** or destruction.

For purposes of this policy, any **car** leased by **you** under a written agreement for a continuous period of at least six months shall be deemed to be owned by **you**.

PART I – LIABILITY

COVERAGE A – LIABILITY COVERAGE INSURING AGREEMENT

We will pay compensatory damages for **bodily injury** or **property damage** for which an **insured person** is legally liable because of the ownership or use of **your insured car** or a **non-owned car**.

Damages include prejudgment interest awarded against an **insured person**. The **bodily injury** or **property damage** must be caused by an auto accident.

This policy doesn't afford coverage and will not pay **punitive or exemplary damages**.

We will defend any suit or settle any claim for damages as we think appropriate.

Our duty to defend ends when our limit of liability for this coverage has been exhausted, whether through settlement or through our tender or interpleading our remaining limit of liability to a court. We have no duty to defend any suit or settle any claim for bodily injury or property damage not covered under this policy, or once we have settled or tendered or interplead our remaining limit of liability to a court.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part, "**insured person**" means:

- (1) **you**;
- (2) a **relative** or **resident** using **your insured car** with express permission from **you**;
- (3) a **relative** or **resident** using a **non-owned car** with the express permission of the owner and not owned by, furnished or available for the regular use of **you, a relative, or a resident**;
- (4) any person other than **you, a relative, or a resident** using **your insured car** with express permission from **you**.

ADDITIONAL PAYMENTS

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

- (1) all costs we incur in the settlement of a claim or defense of a suit.
- (2) all costs assessed against **you** in **our** defense of a suit.

- (3) interest on damages awarded in a suit **we** defend accruing after a judgment is entered. **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) any other reasonable expenses incurred at **our** request.

EXCLUSIONS

We do not provide coverage for **bodily injury** or **property damage**:

- (1) resulting from the ownership or use of a vehicle when used to carry persons or property for a charge. This includes rental of **your insured car** to others. This exclusion does not apply to shared expense **car** pools.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes, but is not limited to, mail, newspaper, floral, and food delivery.
- (3) caused intentionally by or at the direction of an **insured person**. The expected and unexpected results of these acts are not covered.
- (4) for which a person is an insured under a nuclear energy liability insurance policy. This exclusion applies even if the limits of that policy are exhausted.
- (5) to an employee of an **insured person** arising in the course of employment by an **insured person**. Coverage does apply to a domestic employee unless workers' compensation benefits are required or available for that employee.
- (6) resulting from the ownership or use of a vehicle by any person or **insured person** while that person is employed or otherwise engaged in a **business**. This exclusion does not include the use of **your insured car**:
 - (a) to carry tools and supplies between **your** home and job site; or
 - (b) by sales representatives, or members of the clergy.

- (7) to property owned or being transported by **you**, a **relative**, or **resident**.
- (8) to property rented to, used by, or in the care of **you**, a **relative**, or **resident**, except a residence or private garage.
- (9) resulting from the ownership, maintenance, or use of a motorized vehicle with more or less than four wheels.
- (10) arising out of the ownership or use of any vehicle, other than **your insured car**, which is owned by or available for regular use by **you**, a **relative** or **resident**.
- (11) resulting from the use of any vehicle for **racing**.
- (12) assumed by an **insured person** under any contract or agreement.
- (13) arising out of the ownership, maintenance or use of a **car** when rented or leased to others by any **insured person**.
- (14) incurred while the **car** is used for towing a trailer designed for use with other than a **private passenger car**.
- (15) resulting from the use of a **car** by a person specifically excluded.
- (16) due to or resulting from war, insurrection, rebellion, riot, or revolution.
- (17) arising out of the use of:
 - (a) **your insured car** by a person, including an **insured person**, without **your** express permission; or
 - (b) a **car** by any person, including an **insured person**, without the owner's express permission.
- (18) resulting from the use of a vehicle, by any person, including an **insured person**, without a reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably

believe that he or she is entitled to operate a vehicle.

- (19) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (20) arising out of actual, alleged, or threatened discharge, dispersal, release, or escape of any pollutant except if it is sudden and accidental and arises directly from **collision of your insured car**.
- (21) for any amount in excess of the minimum financial responsibility laws of the **state** where the accident occurs, or the **state** of Arkansas, whichever is higher, while the **insured person** is in the commission of a **crime**.
- (22) to any **insured person**.
- (23) for **punitive or exemplary damages**.
- (24) arising out of the operation of farm machinery.
- (25) to the owner of any vehicle while that person is a passenger in that vehicle driven by an **insured person**.
- (26) sustained by any person, this includes an **insured person**, while using or operating **your insured car** while engaged in the **business** of selling, leasing, repairing, servicing, parking, or storing motor vehicles. This includes testing, road testing, and delivery.

FEDERAL TORT CLAIMS ACT EXCLUSION

The following are not **insured persons** under Part I - Liability of the policy:

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

CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS

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

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

OUT OF STATE INSURANCE

If **you** are traveling in a **state** that has compulsory motor vehicle insurance requirements for non-residents, **we** will automatically provide the required liability insurance. **We** will not provide any coverage under the no-fault law or any other similar law of any other **state**.

LIMITS OF LIABILITY

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

- (1) the **bodily injury** liability limits for “each person” is the maximum **we** will pay as damages for **bodily injury** to one person in one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
- (2) subject to the **bodily injury** liability limit for “each person,” the **bodily injury** liability limit for “each accident” is the maximum **we** will pay as damages for all **bodily injury** to two or more persons in any one accident, including, but not limited to derivative claims of a **relative**, such as loss of consortium, loss of services or emotional damages.
- (3) the **property damage** liability limit for “each accident” is the maximum **we** will pay for all damages to property in one accident.
- (4) all **bodily injury** or **property damage** limits are subject to Exclusion (21), if applicable.

The “each person” limit of liability includes the total of all claims made for **bodily injury** to a person and

all claims of others, if allowed by law, that derive from such **bodily injury**, including but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium and wrongful death.

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

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

- (1) **insured persons**;
- (2) claims made;
- (3) claimants;
- (4) policies;
- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown in the Declarations or premiums paid, the limits for any coverage under this policy may not be added to the limits for similar coverage applying to other motor vehicles to determine the limit of insurance coverage available for bodily injury or property damage sustained in any one accident.

We will reduce any amount payable under this coverage to an injured person by any amount paid to that person under Part II Personal Injury Protection Coverage and Part III - Uninsured/Underinsured Motorists Coverage of this policy.

A **car** and **utility trailer**, whether attached or not, are considered one vehicle. Therefore, the limits of liability will not be increased for a **loss** including both.

OTHER INSURANCE

If there is other applicable liability insurance on a **loss** covered by this Part, **we** will pay only **our** share.

Our share is the proportion that **our** limits of liability bear to the total of all applicable limits. However, if there is other valid and collectible insurance on a **loss** covered by this part for a vehicle **you** do not own, no coverage or benefits will be afforded.

No insurance is afforded on newly acquired vehicles if there is other valid and/or collectible insurance.

Any insurance **we** provide for a **loaner vehicle** will be primary over any applicable insurance provided by a policy issued to the owner of the **loaner vehicle** for liability arising out of **your** use of the **loaner vehicle**.

RIGHT OF DIRECT ACTION

Any person entitled to payment of damages covered under this Part I, or his or her personal representative, shall be subrogated to the right of the person shown as the named insured on the Declarations Page for payment under this Part I. If a judgment against an **insured person** remains unsatisfied after thirty (30) days from the date notice of entry of judgment was served on either the **insured person**, the attorney for the **insured person**, or **us**, the injured person, or his or her personal representative, may maintain an action against **us** for the amount of the judgment not exceeding **our** Limits of Liability.

PART II – PERSONAL INJURY PROTECTION COVERAGE

COVERAGE B—PERSONAL INJURY PROTECTION COVERAGE INSURING AGREEMENTS

MEDICAL AND HOSPITAL BENEFITS COVERAGE INSURING AGREEMENT

Subject to the Limit of Liability shown on the Declarations Page, if **you** pay a premium for Medical and Hospital Benefits Coverage, **we** will pay for reasonable and necessary expenses, incurred within two (2) years from the date of a **loss**, for medical, hospital, nursing, dental, surgical, ambulance, funeral

and prosthetic services because of **bodily injury**;

- (1) sustained by an **insured person**;
- (2) caused by a **loss**; and
- (3) arising out of the ownership, maintenance or use of a motor vehicle.

Medical and Hospital Benefits Coverage includes payment for non-medical remedial care and treatment rendered in accordance with a recognized religious method of healing. Payment for hospital room charges shall be limited to the amount charged for semiprivate accommodations.

INCOME DISABILITY BENEFITS COVERAGE INSURING AGREEMENT

Subject to **our** Limit of Liability, if **you** pay a premium for Income Disability Benefits Coverage, **we** will pay for **income disability benefits** because of **bodily injury**:

- (1) sustained by an **insured person**;
- (2) caused by a **loss**; and
- (3) arising out of the ownership, maintenance or use of a motor vehicle.

No payment for **income disability benefits** shall be made for any period following the death of the **insured person**.

ACCIDENTAL DEATH BENEFITS COVERAGE INSURING AGREEMENT

If **you** pay a premium for Accidental Death Benefits Coverage, **we** will pay the amount stated on the Declarations Page for Accidental Death Benefits Coverage if an **insured person** dies within one (1) year of the date of a **loss** because of **bodily injury**:

- (1) caused by a **loss**; and
- (2) arising out of the ownership, maintenance or use of a motor vehicle.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

When used in this Part II:

- (1) “**Insured person**” and “**insured persons**” mean:

- (a) **you** or any **relative**; and
 - (b) any other person:
 - (i) while **occupying your insured car**; or
 - (ii) when struck by **your insured car** while a pedestrian, bicyclist, or motorcyclist, or while riding on an animal or in a horse-drawn wagon or cart.
- (2) “**Income disability benefits**” means loss of income from work the **insured person** would have earned, during the period beginning eight (8) days from the date of the **loss** and not exceeding fifty-two (52) weeks, had the **insured person** not sustained **bodily injury**. If the **insured person** did not earn income from work at the time of the **loss**, **income disability benefits** means expenses reasonably incurred, during the period beginning eight (8) days from the date of the **loss** and not exceeding fifty-two (52) weeks, to obtain essential services in lieu of those the **insured person** would have performed, without income, for the benefit of the **insured person** or his or her family, had the **insured person** not sustained **bodily injury**.

EXCLUSIONS

The coverages provided under this Part II do not apply to **bodily injury**:

- (1) sustained by any person, other than **you** or a **relative**, who is a named insured or additional insured under any other valid and collectible automobile insurance policy providing the minimum personal injury protection coverages required by law.
- (2) sustained by any person who intentionally caused such **bodily injury**. The expected and unexpected results of these acts are not covered.
- (3) sustained by any person while in the commission of a **crime**.
- (4) to the extent benefits are paid or payable under any workers’ compensation law, disability benefits law or similar law. However, this exclusion does not

apply to Accidental Death Benefits Coverage.

- (5) sustained by any person while using or **occupying** any motor vehicle **owned** by **you**, other than **your insured car**.
- (6) sustained by a **relative** while using or **occupying** any motor vehicle **owned** by that **relative**, other than **your insured car**.
- (7) sustained by any person arising from the use of a motor vehicle as a residence or premises.
- (8) sustained while **occupying** a motor vehicle while being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, or any other products. This exclusion does not apply to shared expense **car** pools.
- (9) arising out of a **loss** involving a motor vehicle while being used by any person while employed or engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using **your insured car**.
- (10) due to a nuclear reaction or radiation.
- (11) for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of that policy are exhausted.
- (12) sustained by any person while **occupying your insured car** without the express permission of **you** or a **relative**.
- (13) sustained by **you** or a **relative** while **occupying a non-owned car** without the express permission of the owner.
- (14) due to war, declared or undeclared, civil war, insurrection, rebellion or revolution or any act or condition incident to any of the above.
- (15) sustained while **occupying** any motor vehicle having more or less than four wheels.
- (16) resulting from the use of any vehicle for **rac**ing.
- (17) arising out of the ownership or use of any vehicle,

other than **your insured car** which is owned by or available for regular use by **you, a relative, or a resident**.

- (18) resulting from the use of a **car** by a person specifically excluded.
- (19) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (20) resulting from the use of a vehicle, by any person, including an **insured person**, without a reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a vehicle.

LIMITS OF LIABILITY

The Limit of Liability for Medical and Hospital Benefit Coverage and the Limit of Liability for Accidental Death Benefits Coverage are both shown on the Declarations page.

Our Limit of Liability for Income Disability Benefits Coverage is as follows:

- (1) If the **insured person** earned income from work at the time of the **loss, we** will pay no more than 70% of loss of gross income per week, not to exceed \$140 per week or pro rata for a shorter period.
- (2) If the **insured person** did not earn income from work at the time of the **loss, we** will pay no more than \$70 per week, or pro rata for a shorter period.

The Limits of Liability for the coverages provided under this Part II represent the most **we** will pay for each **insured person** injured in any one accident, regardless of the number of:

- (1) **insured persons;**
- (2) claims made;
- (3) claimants;
- (4) policies;

- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

The total damages recoverable under this Part II shall be reduced by any payment to that person for the same elements of damages under Part I - Liability and Part III—Uninsured/Underinsured Motorist Coverage.

OTHER INSURANCE

- (1) With respect to **bodily injury** sustained by a **relative**, any Medical and Hospital Benefits Coverage or Income Disability Benefits Coverage afforded by this Part II shall be excess over any other similar coverage provided by a motor vehicle insurance policy under which the **relative** is a named insured.
- (2) If **you** or a **relative** are insured under any other motor vehicle insurance policy providing coverage for **income disability benefits** or similar coverage, the most that **you** or a **relative** may recover for **income disability benefits** shall not exceed the amount payable under the policy providing the highest limits of liability.
- (3) No coverage will be provided under this Part II for any person, other than **you** or a **relative**, who is a named insured or additional insured under any other valid and collectible motor vehicle insurance policy providing the minimum personal injury protection coverages required by law.

Subject to 1, 2, and 3 above, if there is other applicable personal injury protection 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 coverage provided under this Part II arising out of the operation of a **loaner vehicle** by **you** will be primary over any applicable insurance provided by a policy issued to the owner of the

loaner vehicle for personal injury protection insurance.

No one shall be entitled to recover duplicate payments for **income disability benefits** or medical and hospital benefits under this or any other motor vehicle insurance policy.

PART III – UNINSURED/UNDERINSURED MOTORISTS

COVERAGE C— UNINSURED/UNDERINSURED MOTORISTS COVERAGE INSURING AGREEMENT

We will pay compensatory damages which an **insured person** is legally entitled to recover from the owner or operator of an:

- (1) **Uninsured or Underinsured motor vehicle** because of **bodily injury**;
 - (a) sustained by an **insured person**; and
 - (b) caused by an accident.
- (2) **Uninsured motor vehicle** because of **property damage** caused by an accident arising out of actual physical contact with **your insured car** if the Declarations indicate Uninsured Motorists Property Damage Coverage applies.

The owner's or operator's liability for these damages must be caused by an accident and arise out of the ownership, maintenance, or use of the **uninsured or underinsured motor vehicle**.

We will pay damages under this coverage caused by an accident with an **underinsured motor vehicle** only if the limits of liability under any applicable bodily injury liability bonds or policies have been exhausted by payments of judgments or settlements.

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

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part:

- (1) **“Insured person”** means:
 - (a) **you;**
 - (b) a **relative** who does not own a **car;**
 - (c) a **relative** who owns a **car**, but only while **occupying your insured car;**
 - (d) any other person occupying your **insured car** with the express permission of **you.**
- (2) **“Property damage”** means injury to or destruction of:
 - (a) **your insured car**, including loss of use;
or
 - (b) any property owned by an **insured person** while contained in **your insured car** at the time of the **loss.**
- (3) **Underinsured motor vehicle** means a land motor vehicle to which a **bodily injury** liability bond or policy applies at the time of the accident, but its limit of liability for **bodily injury** is less than the amount of the **insured person’s** damages.

However, **underinsured motor vehicle** does not include:

- (a) an **uninsured motor vehicle.**
 - (b) any vehicle or equipment owned or operated by a self-insurer under any applicable motor vehicle law.
 - (c) any vehicle or equipment owned by any governmental unit or agency.
 - (d) a vehicle insured under the liability coverage of the same policy of which this Underinsured Motorists Coverage is a part.
- (4) **Uninsured motor vehicle** means a land motor vehicle:
 - (a) to which no liability bond or policy applies at the time of the accident.
 - (b) 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 Arkansas law.

- (c) a hit-and-run vehicle whose owner or operator cannot be identified and which hits:
 - (i) the **insured person**;
 - (ii) a vehicle an **insured person** is **occupying**; or
 - (iii) **your insured car**.
- (d) to which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - (i) denies coverage;
 - (ii) is or becomes insolvent.

However, **uninsured motor vehicle** does not include:

- (a) an **underinsured motor vehicle**.
- (b) any vehicle or equipment owned or operated by self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
- (c) any vehicle or equipment owned by any governmental unit or agency while being used in an unauthorized manner.
- (d) with respect to damages for **property damage** only, if the owner and operator of the at-fault vehicle cannot be identified.

In addition, neither **uninsured** nor **underinsured motor vehicle** includes any vehicle or equipment:

- (a) owned by or furnished or available for the regular use of **you**, a **relative**, or a **resident**.
- (b) operated on rails or crawler treads.
- (c) designed mainly for use off public roads while not on public roads.
- (d) while located for use as a residence or premises.

EXCLUSIONS

This coverage does not apply for **bodily injury** or **property damage**:

- (1) to a person sustained while using a vehicle without the owner's express permission to do so. This includes an **insured person**.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes but is not limited to mail, newspaper, floral, and food delivery.
- (3) to a person if that person or the legal representative of that person makes a settlement without **our** written consent. This includes an **insured person**.
- (4) to property contained in or struck by a motor vehicle, other than **your insured car**, owned by **you, a relative, or a resident**.
- (5) to a person, including an **insured person**, occupying or struck by a motor vehicle owned by **you, a relative, or a resident** which is not insured for this coverage under this policy.
- (6) to a person, including an **insured person**, occupying **your insured car** when used to carry persons or property for a charge. This exclusion does not apply to shared expense **car pools**.
- (7) for the first \$200 of the amount of **property damage** to the property of each **insured person** as the result of any one accident with an **uninsured motor vehicle**. This exclusion does not apply if:
 - (a) we insure **your insured car** for both collision and uninsured motorists property damage coverage; and
 - (b) the operator of the **uninsured motor vehicle** is positively identified and is solely at fault.
- (8) resulting from the use of a **car** by a person or persons specifically excluded.
- (9) for **punitive or exemplary damages**.

- (10) to an **insured person** claiming Uninsured/ Underinsured Motorists Coverage who does not notify the police within 24 hours if a hit and run driver is involved.
- (11) for **diminution in value**.
- (12) a motorized vehicle or device of any type designed to be operated on the public road that is **owned by you** or a **relative**, other than **your insured car**.
- (13) sustained while **your insured car** is being used or driven by a person while employed or engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you** or a **relative**, when using **your insured car**.
- (14) resulting from any prearranged or organized **racing** contest.
- (15) due to a nuclear reaction or radiation.
- (16) for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of that policy are exhausted.
- (17) to a **utility trailer**.
- (18) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (19) resulting from the use of a vehicle, by any person, including an **insured person**, without reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a motor vehicle.
- (20) while **occupying** any motorized vehicle having more or less than four wheels.
- (21) while **occupying** a vehicle located for use as a residence or premises.

This coverage shall not apply directly or indirectly to benefit:

- (a) any insurer or self-insurer under any disability benefits law or similar law.
- (b) any insurer of property.

We do not provide Uninsured/Underinsured Motorists Coverage for punitive or exemplary damages.

LIMITS OF LIABILITY

- (1) The limits of liability shown in the Declarations for Uninsured Motorists Coverage or Underinsured Motorists Coverage apply subject to the following:
 - (a) the **bodily injury** liability limits for “each person” is the maximum we will pay as damages for **bodily injury** to one person in one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
 - (b) subject to the **bodily injury** liability limit for “each person,” the **bodily injury** liability limit for “each accident” is the maximum we will pay as damages for all **bodily injury** to two or more persons in any one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
 - (c) the **property damage** liability limit for “each accident” is the maximum we will pay for all damages to property in one accident.
- (2) In determining the amount payable under this Part III, the amount of the damages sustained by the **insured person** due to **bodily injury** shall be reduced by all sums:
 - (a) paid by or on behalf of any persons or organizations that may be legally responsible, including, but not limited to, all sums paid under Part I – Liability To Others.

- (b) paid under Part II—Personal Injury Protection Coverage.
 - (c) paid or payable because of **bodily injury** under any disability benefit law or similar laws.
- (3) The Limits of Liability under this Part III for **property damage** shall be reduced by all sums paid:
- (a) because of **property damage** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part I—Liability; and
 - (b) under Part IV— Car Damage for **property damage**.
- (4) **Our** Limit of Liability under this Part III for **property damage** arising out of one accident is the lowest of:
- (a) the actual cash value of the **property damage** at the time of the accident, reduced by the applicable deductible, and by its salvage value if **you** or the owner retain the salvage.
 - (b) the amount necessary to replace the **property damage**, reduced by the applicable deductible, and by its salvage value if **you** or the owner retain the salvage.
 - (c) the amount necessary to repair the **property damage** to its pre-loss condition, reduced by the applicable deductible.
 - (d) any limit of liability shown on the Declarations Page for **property damage** under this Part III, reduced by the salvage value of the **property damage** if **you** or the owner retain the salvage.
- (5) Payments for **property damage** under this Part III are subject to the following provisions:
- (a) any amount payable under this Part III for **property damage** shall be subject to the deductible shown on the Declarations Page;
 - (b) no more than one deductible shall be applied to any one accident;

- (c) the deductible under this Part III shall not apply if:
 - (i) the operator of the **uninsured motor vehicle** has been positively identified and is solely at fault; and
 - (ii) **your insured car** is insured for collision coverage under Part IV—Car Damage.
- (d) an adjustment for **depreciation** and physical condition, including betterment, will be made in determining the Limit of Liability at the time of the **loss**; and
- (e) IN THE REPAIR OF **YOUR INSURED CAR** UNDER THE CAR DAMAGE COVERAGE PROVISIONS OF THIS POLICY, **WE** MAY REQUIRE OR SPECIFY THE USE OF MOTOR VEHICLE PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. THESE PARTS ARE REQUIRED TO BE AT LEAST EQUAL IN TERMS OF FIT, QUALITY, PERFORMANCE, AND WARRANTY TO THE ORIGINAL MANUFACTURER PARTS THEY REPLACE.

Any payment made to a person under this Part III shall reduce any amount that the person is entitled to recover for the same elements of damages under Part I—Liability or for **loss** under Part IV—Car Damage.

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

Any judgment or settlement for damages against an operator or owner of an **uninsured motor vehicle** or **underinsured motor vehicle** which arises out of a lawsuit brought without **our** written consent is not binding to **us**.

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

The “each person” limit of liability includes the total

of all claims made for **bodily injury** to an **insured person** and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

We will pay no more than the maximum limit of liability as shown in the Declarations for Uninsured Motorists Coverage or Underinsured Motorists Coverage regardless of the number of:

- (1) **insured persons**;
- (2) claims made;
- (3) claimants;
- (4) policies;
- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown in the Declarations or premiums paid, the limits for any coverage under this policy may not be added to the limits for similar coverage applying to other motor vehicles to determine the limit of insurance coverage available for **bodily injury** suffered by a person in any one accident.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage:

- (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.
- (4) However, any insurance **we** provide under this Part III will be primary over any applicable insurance provided by a policy issued to the owner of a **loaner vehicle** if **you** are operating the **loaner vehicle** involved in an accident and:
 - (a) an **insured person** sustains bodily injury; or
 - (b) the **loaner vehicle** sustains property damage.

TRUST AGREEMENT

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

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

- (6) An **insured person** under this coverage must do nothing before or after a **loss** to prejudice **our** rights of recovery from any **uninsured** or **underinsured** motorists.

ARBITRATION

If **we** and an **insured person** cannot agree on:

- (1) the legal liability of the operator or owner of the **uninsured motor vehicle**; or
- (2) the amount of damages sustained by the **insured person**:

This will be determined by arbitration if **we** and the **insured person** agree to arbitration prior to the expiration of the bodily injury statute of limitations in the **state** in which the accident occurred.

If **we** and the **insured person** agree to arbitration, each party shall select an arbitrator. The two arbitrators will select a third. If the two arbitrators cannot agree on a third arbitrator within thirty (30) days, then on joint application by the **insured person** and **us**, the third arbitrator will be appointed by a court having jurisdiction.

Each party will pay the costs and fees of its arbitrator and any other expenses it incurs. The costs and fees of the third arbitrator will be shared equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resided. Local rules of procedure and evidence will apply.

A decision agreed to by two of the arbitrators will determine:

- (1) the legal liability of the operator or owner of the **uninsured motor vehicle**; and
- (2) the amount of the damages sustained by the **insured person**;

but will not be binding on either the **insured person** or **us**. The arbitrators shall have no authority to award an amount in excess of the limit of liability.

PART IV – CAR DAMAGE

COVERAGE D—CAR DAMAGE COVERAGE INSURING AGREEMENT

We will pay for loss to your insured car:

- (1) caused by **collision**; or
- (2) not caused by **collision**

less any applicable deductibles shown in the Declarations. Coverage does not apply under this Part for a **car** or **utility trailer** not owned by **you** other than **your insured car**.

LOSS SETTLEMENT

We may pay the **loss** in money or repair or replace damaged or stolen property. **We** may, at any time before the **loss** is paid or the property is replaced, return, at **our** expense, any stolen property either to **you** or to the address shown in the Declarations, with payment for any resulting damage. **We** may keep all or part of the property at the agreed or appraised value. **You** do not have the right to abandon salvage to **us**.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part:

- (1) “**Your insured car**” means:
 - (a) the vehicle listed in the Declarations for this coverage.
 - (b) a vehicle **you** acquire during the policy period provided:
 - (i) it replaces the vehicle which was insured under the Car Damage portion of this policy; and
 - (ii) **you** notify **us** within 30 days of the date you acquire it. When **you** ask **us** to add Car Damage Coverage for the replacement **car**, such coverage will be in effect no earlier than the time and day on which **you** ask **us** to add the coverage. If **you** ask **us** to add Car Damage Coverage in writing, the coverage will not be in effect until 12:01

A.M. on the day following the date of the postmark shown on the envelope containing your request. If a postage meter is used on the envelope containing **your** request to add Car Damage Coverage, coverage will be in effect no earlier than the time and day **your** request is received by **us**. All insurance for the **car** being replaced is ended when **you** take delivery of the replacement **car**.

- (c) a **car** or **utility trailer** not owned by or furnished or available for the regular use of **you**, a **relative** or a **resident** while being used with the express permission of the owner.
- (2) “**Insured person**” means:
 - (a) **you**, a **relative**, or **resident**.
 - (b) any person using **your insured car** with **your** express permission.
- (3) “**Collision**” means the impact of **your insured car** with another object or upset of **your insured car**. **Loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is **loss** not caused by **collision**.
- (4) “**Loss**” means sudden, direct and accidental loss of or damage to:
 - (a) **your insured car**; or
 - (b) its original equipment, as available and permanently installed by the manufacturer as part of a standard option package at the time of purchase.

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

- (5) “**Special Equipment**” means equipment that was not installed by the manufacturer as part of a standard option package at the time of purchase. This includes but is not limited to:
 - (a) radios, stereos, CD players, tape or

- cassette players, and their accessories;
- (b) camper shells, toppers, and bed liners;
- (c) custom interior work such as carpeting, seats, paneling, or furniture;
- (d) any equipment that modifies the vehicles standard appearance or performance;
- (e) T-tops, moon roofs, sun roofs, nose bras, custom wheels and tires, custom paint work, decals and graphics;
- (f) **utility trailers**; or
- (g) **sound reproducing equipment**.

CAR STORAGE COVERAGE

We will pay up to \$10 a day with a maximum of \$300 for the cost of storage of **your insured car** in the event of a **loss to your insured car** for which coverage is provided under this Part.

EXCLUSIONS

We do not cover **loss**:

- (1) to **your insured car** while used to carry persons or property for a charge. This includes rental of **your insured car** to others. This exclusion does not apply to shared expense **car** pools.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes, but is not limited to, mail, floral, and food delivery.
- (3) caused by war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequences of any of these.
- (4) to **sound reproducing equipment** not permanently installed in the dash or console opening of **your insured car**.
- (5) to tapes, compact discs, or similar items used with **sound receiving equipment**.
- (6) to **sound receiving equipment** or transmitting equipment designed for use as citizens band radios, two-way mobile radios, telephones, scanning monitor receivers, radar detectors, television sets, video cassette recorders, audio

cassette recorders, personal computers, their accessories or antennas.

- (7) to awnings, cabanas, or equipment designed to provide living facilities.
- (8) resulting from prior **loss** or damage, manufacturer's defects, wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires. However, coverage does apply if the damage is the result of other **loss** covered by this policy.
- (9) to **your insured car** due to destruction or confiscation by governmental authorities because of use in illegal activities, or failure to bring it into compliance with the Environmental Protection Agency or the Department of Transportation.
- (10) to **special equipment**.
- (11) to refrigeration, cooling, or sleeping facilities.
- (12) to any vehicle used for **racing**.
- (13) caused by the theft or conversion of **your insured car** by a person **you** have voluntarily entrusted **your insured car** to. This exclusion does not apply when **your insured car** is stolen from the person **you** loaned the **car** to, if the theft is reported to the police within 24 hours of the **loss**.
- (14) to **your insured car** arising out of or during its use for the transportation of any:
 - (a) explosive substance;
 - (b) flammable liquid; or
 - (c) similar hazardous materials;except transportation incidental to **your** ordinary household or farm activities.
- (15) to clothes, tools, or personal effects.
- (16) to **your insured car** caused by or resulting from **you** acquiring **your insured car** from the seller without legal title available to **you**.
- (17) to any equipment which mechanically or structurally changes **your insured car** and results in an increase in performance.

- (18) to **your insured car** while being used by an **insured person** while in the commission of a **crime**.
- (19) to **your insured car** caused intentionally by or at the direction of an **insured person**. The expected and unexpected results of these acts are not covered.
- (20) to **your insured car** while being operated by a person or persons specifically excluded.
- (21) to any vehicle not owned by **you** not caused by **collision**.
- (22) to any vehicle that is subject to any bailment lease, conditional sale or consignment agreement, not specifically declared and described in this policy.
- (23) to **your insured car** due to **diminution in value**.
- (24) resulting from using a vehicle without a reasonable belief that the **person**, including an **insured person**, is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a vehicle.
- (25) resulting from the use by any **person**, including an **insured person**, who is not a properly licensed or legally licensed driver, or is in violation of any condition of their driving privileges.

LIMIT OF LIABILITY

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

- (1) the actual cash value of **your insured car** which was stolen or damaged; or
- (2) the amount necessary to repair or replace **your insured car** which was stolen or damaged; or
- (3) the amount necessary to repair or replace a **utility trailer** not owned by **you**, a **relative** or **resident** subject to a maximum of \$500.

However, in the event that the coverage applies to a **car you** do not own, **our** liability is limited to the highest actual cash value of **your insured car** described in the Declarations for which Car Damage Coverage has been purchased.

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

OTHER INSURANCE

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

Any insurance **we** provide for a **loaner vehicle** will be primary over any applicable insurance provided by a policy issued to the owner of the **loaner vehicle** for a **loss** arising out of **your** use of the **loaner vehicle**.

APPRAISAL

If **we** cannot agree with **you** on the amount of a **loss**, then **we** and **you** may agree to appraisal of the **loss**. If the parties agree to appraisal, each party shall appoint a competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraiser. If the two appraisers are unable to agree upon an umpire within fifteen (15) days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of **loss**. The amount of **loss** agreed to by both appraisers, or by one appraiser and the umpire, will determine the amount payable under this Part IV, but will not be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. Payment of the umpire and all other expenses of the appraisal will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

NO BENEFIT TO BAILEE

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

PART V – GENERAL PROVISIONS

NOTICE TO COMPANY

Your notice to **our** authorized agent will be deemed to be notice to **us**.

POLICY PERIOD, TERRITORY

This policy applies only to accidents and losses during the policy period shown in the Declarations and occurring within the United States of America, its territories or possessions, or between their ports and Canada.

CHANGES IN YOUR POLICY

This policy, the application, any endorsements, any offer of reinstatement, any lapse in coverage form, and the Declarations include all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effectuated in this policy except by endorsement issued by **us**. Messages left after normal business hours will not affect coverage. All changes are subject to underwriting review and approval. If a premium adjustment is necessary, **we** will make it as of the effective date of the change. When **we** broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective.

The premium for each term of this policy is determined by information in **our** possession at the inception date of that term. Any change in this information which would affect the rating of **your** policy gives **us** the right to make an additional charge or refund on a pro-rata basis.

REGARDLESS OF PREMIUM CHANGE, YOU HAVE A DUTY TO INFORM US OF ANY SUCH CHANGE (including, but not limited to, change in vehicles, use of vehicles, Named Insured's and additional drivers' occupations, marital status, garaging address, **residents** in household, children

eligible to drive, drivers' physical condition, medication, or moving out of the State of Arkansas).

TERMS OF POLICY CONFORMED TO STATUTES

If any provision of this policy fails to conform with the legal requirements of the **state** listed on **your** application as **your** residence, the provisions shall be deemed amended to conform with such legal requirements. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provision of this policy shall be governed by the law of the **state** listed on **your** application as **your** residence.

SUITS AGAINST US

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

No suit or action whatsoever shall be brought against **us** for the recovery of any claim under Part III - Uninsured/Underinsured Motorists coverage unless same is commenced within the time allowed by law.

If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

OUR RECOVERY RIGHTS

In the event of a payment under this policy, **we** are entitled to all the rights of recovery that the **insured person** to whom payment was made has against another after the **insured person** has been fully compensated for their **loss**. That person or organization must sign and deliver to **us** any legal papers relating to that recovery. They must also do whatever else is necessary to help **us** exercise those rights and do nothing after **loss** to harm **our** rights.

However, **we** may not assert rights of recovery against any person who was using **your insured car** with **your** express permission for any payment made under Part IV—Car Damage.

When an **insured person** has been paid by **us** under this policy and also recovers from another person, entity, or organization, the amount recovered will be held by the **insured person** in trust for **us** and reimbursed to **us** to the extent of **our** payment. However, this shall not apply to payment by **us** under any Accidental Death Benefits Coverage provided under Part II of this policy.

If recovery is made by an **insured person** under this policy from a responsible person, entity or organization without **our** written consent, the **insured person's** right to payment under any affected coverage will no longer exist.

Our right of recovery does not apply to underinsured motorist benefits if:

- (1) the **insured person** sends **us** written notice, in accordance with the requirements of Part III—Uninsured/Underinsured Motorist Coverage, of any tentative settlement agreement reached with owner or operator of an **underinsured motor vehicle**, or such person's liability insurer; and
- (2) **we** fail to pay the sum offered in settlement to the **insured person** by the owner or operator of an **underinsured motor vehicle**, or that person's liability insurer, within thirty (30) days of **our** receipt of such notice.

Our right of recovery does not apply to underinsured motorist benefits to the extent of any payment **we** have made to the **insured person** under a policy of liability insurance issued by **us** to the **owner** or operator of an **underinsured motor vehicle**.

JOINT AND INDIVIDUAL INTERESTS

If there is more than one named insured on this policy, any named insured may cancel or change this policy. The action of one named insured shall be binding on all persons provided coverage under this policy.

ASSIGNMENT

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

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

BANKRUPTCY

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person**. If execution of a judgment against the **insured person** is returned unsatisfied because of the insolvency or bankruptcy, in an action brought by the injured person or his or her personal representative in case death results from the **loss**, then an action may be maintained by the injured person or their personal representative against **us** for the amount of the judgment in the action not exceeding **our** limits of liability.

PAYMENT OF PREMIUM

If **your** initial premium is by check, draft, or any remittance other than cash, coverage under this policy is conditioned upon the check, draft, or remittance being honored upon presentment to the bank or other financial institution. If the check, draft, or remittance is not honored upon presentment, this policy may, at **our** option, be deemed void from its inception. This means that **we** will not be liable under this policy for any claims or damages which would otherwise be covered if the check, draft, or remittance had been honored upon presentment.

A charge may be added to **your** account if:

- (1) **you** tender a check, draft, or remittance or other method of payment to **us** for any full or partial payment of **your** premium, other than **your** initial payment, and the check, draft, remittance or other method of payment is returned to **us** or refused because of insufficient funds, a closed account, or a stop payment order; or
- (2) **your** premium payment is received after the due date but prior to cancellation.

CANCELLATION AND NON-RENEWAL

This policy may be canceled during the policy period as follows:

- (1) **You** may cancel by:
 - (a) returning this policy to **us**; or
 - (b) giving **us** advance written notice of the future date cancellation is to take effect.
- (2) **We** may cancel by mailing to **you** at the address shown in the Declarations:
 - (a) at least 10 days notice:
 - (i) if cancellation is for nonpayment of premium; or
 - (b) at least 20 days notice in all other cases;
 - (c) **we** may cancel this policy for any reason within the first 59 days of the initial policy period.
- (3) After this policy is in effect for 59 days, or if this is a renewal, **we** will cancel only:
 - (a) for nonpayment of premium; or
 - (b) loss of driving privileges during the policy period, or, if this is a renewal policy, during the policy period or the one hundred and eighty (180) days immediately preceding the effective date of renewal, through suspension or revocation of **your** operator's license or motor vehicle registration, or the license or registration of any other operator who either resides in the same household as **you** or who customarily operates **your insured car**. However, **we** will not cancel **your** policy solely due to an administrative revocation or suspension of an operator's license pursuant to Arkansas Code §5-65-104; or
 - (c) **you** or any driver of **your insured car** have been convicted of:
 - (i) driving while intoxicated;
 - (ii) homicide or assault arising out of the use of a motor vehicle; or
 - (iii) three separate convictions of speeding or reckless driving, or any combination of the two, during the

policy period or the three months prior to the effective date of the policy; or

- (d) for fraud, willful misrepresentation or concealment on the part of any insured with respect to a material fact or circumstance relating to the issuance or continuation of this policy; or
- (e) for any other reason allowed by law.

If **we** decide not to renew this policy, **we** will mail notice to **you** at the address shown in the Declarations. Notice will be mailed at least 20 days before the end of the policy period.

Proof of mailing any notice shall be sufficient proof of notice. The effective date of cancellation stated in a notice is the end of the policy period.

Upon cancellation, **you** may be entitled to a premium refund. **Our** making or offering a refund is not a condition of cancellation.

If **we** cancel this policy for a reason other than non-payment of premium, any refund due will be computed on a daily pro-rata basis.

If cancellation is at **your** request, or for **your** non-payment of premium, a cancellation fee of \$25 will apply.

If **you** or **we** cancel, any premium due to **you** of \$10.00 or less will be refunded to **you** only upon **your** written request.

With regards to abandoned property as defined by the Unclaimed Property Act, any property deemed abandoned is subject to a monthly processing and holding charge of \$10.00 per month. This charge shall occur each consecutive month that the property remains unclaimed until such time the value of the abandoned property equals zero dollars.

All policies are subject to a minimum of \$50 earned premium.

AUTOMATIC TERMINATION

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

We will mail or deliver any premium billing notice

for renewal of this policy to **you**, at the address shown in the Declarations.

Coverage under this policy will terminate automatically:

- (1) If the down payment check for a new business policy or renewal term is not honored by the bank, the policy will be rescinded and no coverage will be afforded.
- (2) If other insurance is obtained on **your insured car**, similar insurance afforded under this policy for that **car** will cease on the effective date of the other insurance.
- (3) When a person other than an **insured person** becomes the owner of **your insured car**.

FRAUD AND MISREPRESENTATION

The statements made by **you** in the application are deemed to be **your** representations. If any representation contained in the application is false, misleading or materially affects the acceptance or rating of this risk by **us**, by either direct misrepresentation, omission, concealment of facts, or incorrect statements, this policy will be null and void from its inception.

If any representation contained in any notification of change is false, misleading or materially affects the acceptance or rating of this risk by **us**, by either direct misrepresentation, omission, concealment of facts, or incorrect statements, this policy will be null and void from the effective date of the change.

This policy will be voidable at **our** option if **you** or an **insured person** or any other individual act at or by the direction of **you** or any **insured person has**:

- (1) concealed or misrepresented any material fact;
or
- (2) committed or attempted fraud concerning any matter regarding this policy whether before or after a **loss**.

If **we** void this policy, this shall not affect coverage under Part I—Liability of this policy for a **loss** that occurs before **we** notify the named insured that the policy is void.

You have an ongoing duty to notify **us** if there is a material change in the risk or exposure that might affect the rating of your policy. (See “Changes In Your Policy” on page 37-38.)

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

NOTICE OF ACCIDENT OR LOSS

In the event of an accident or **loss**, notice must be given to **us** promptly. The notice must give the time, place, and circumstances of the accident or **loss**, including the names and addresses of injured persons and witnesses.

FAILURE TO PROMPTLY REPORT A LOSS OR ACCIDENT TO US MAY JEOPARDIZE YOUR COVERAGE UNDER THIS POLICY.

WE WILL NOT PAY FOR ANY JUDGMENT RENDERED AGAINST YOU PRIOR TO OUR RECEIVING ACTUAL NOTICE OF THE LAWSUIT.

OTHER DUTIES

A person claiming any coverage under this policy must also:

- (1) cooperate with **us** and assist **us** in any matter concerning a claim or suit, including presence at a trial.
- (2) send **us** promptly any legal papers received relating to any claim or suit.
- (3) submit to physical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require.
- (4) authorize **us** to obtain medical and other records including but not limited to credit and financial records.
- (5) submit a proof of loss under oath if required by **us**.
- (6) submit to an examination under oath as often as may be reasonably required.
- (7) upon **our** request, allow **us** to obtain a written or recorded statement concerning the circumstances of the claim and any damages claimed.

UNINSURED/UNDERINSURED MOTORISTS

A person claiming Uninsured/Underinsured Motorists Coverage must also notify the police within 24 hours of the accident if a hit-and-run driver is involved.

An **insured person** shall send to **us**, by certified mail, return receipt requested, written notice of any tentative settlement agreement reached with the owner or operator of an **underinsured motor vehicle**, or that person's liability insurer. However, this notice requirement shall not apply when **we** are making that offer of settlement as insurer of the owner or operator of the **underinsured motor vehicle**. The notice shall include:

- (1) written documentation of economic losses incurred, including copies of all medical bills;
- (2) written authorization or a court order allowing **us** to obtain medical reports from all employers and medical providers;
- (3) written confirmation from the owner or operator's liability insurer as to the amount of the liability limits and the terms of the settlement agreement. The agreement shall not include any sum representing **punitive or exemplary damages**.

Within thirty (30) days of **our** receipt of written notice of the tentative settlement agreement, **we** may pay the sum offered in the settlement to the **insured person**. If **we** do this, **we** are entitled to subrogate to the extent of **our** payment to the **insured person's** right of recovery against the owner or operator of the **underinsured motor vehicle** and the **insured person** must assign to **us** all rights to any amount subsequently paid from all applicable liability bonds and policies.

CAR DAMAGE

A person claiming Car Damage Coverage must also:

- (1) take reasonable steps after **loss** to protect the **car** and its equipment from further **loss**. **We** will pay reasonable expenses incurred in providing that protection.

- (2) report a theft of the **car** or its equipment to the police within 24 hours of discovering the theft.
- (3) allow **us** to inspect and appraise the damaged **car** before its repair or disposal.

In Witness Whereof, the company has caused this policy to be executed and attested.



Senior Vice President

President

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF TLC-0899 APPEARS ON
THE DECLARATIONS PAGE.**

**TOWING AND LABOR COVERAGE
ENDORSEMENT**

If **you** pay a premium for Towing and Labor Coverage, **we** will pay for towing and labor costs incurred by **you** each time **your insured car**, is disabled, subject to the Limit of Liability shown on the Declarations Page, provided that the labor is performed at the place of disablement.

All other terms and conditions of your Personal Car Policy remain unchanged.

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF RRC-0899 APPEARS ON
THE DECLARATIONS PAGE.**

**RENTAL REIMBURSEMENT COVERAGE
ENDORSEMENT**

If **you** pay a premium for Rental Reimbursement Coverage, **we** will reimburse **you** for reasonable and necessary rental charges actually incurred by **you**, subject to the Limit of Liability shown on the Declarations Page for the loss of use of **your insured car** because of damage covered under Car Damage Coverage to **your insured car**. In the event of the total theft of **your insured car**, **we** will only consider expenses incurred beginning 48 hours after the theft is reported to a law enforcement agency.

Rental charges will be reimbursed beginning when **your insured car** cannot be driven due to a covered loss or when **your insured car** is delivered to a repair shop for repairs due to a covered loss.

Your insured car must be continuously withdrawn from normal use for more than 24 hours.

The coverage period ends when **your insured car** is returned to use or **we** make a settlement to pay the actual cash value of **your insured car**.

You must provide us written proof of **your** rental charges. Credit card receipts are not sufficient proof.

All other terms and conditions of your Personal Car Policy remain unchanged.

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF ENDORSEMENT
NUMBER AIN 0698 APPEARS ON THE
DECLARATIONS PAGE.**

**ADDITIONAL INSURED-LEASED MOTOR
VEHICLES**

It is agreed:

- (1) that the **car** described in the Declarations shall be considered as owned by **you** while it is leased to **you** under a long-term contract from the owner whose name appears on the Declarations Page.
- (2) **you** are covered as the named insured.
- (3) under Part I – Liability, the owner shall be covered as an **insured person**.
- (4) under any Car Damage Coverage of Part IV of the policy that is in force, a **loss** shall be payable to **you** and the owner as the interests of each may appear.
- (5) this policy will not be changed or terminated as to the interest of the owner of the **car** without 10 days written notice to the owner.
- (6) there is no coverage while the **car** is loaned, rented or leased by the owner to any party other than **you**.
- (7) an additional insured has no greater rights under this policy than the named insured. Where coverage is denied to the named insured, coverage is also denied to the additional insured.

**THE FOLLOWING ENDORSEMENT APPLIES
ONLY IF ENDORSEMENT NUMBER LPC 0698
APPEARS ON THE DECLARATIONS PAGE.**

LOSS PAYABLE CLAUSE

We will pay **loss** or damage due under this policy according to **your** interest and that of the loss payee if one is shown in the Declarations. **We** may make separate payments according to those interests.

The loss payee has no greater rights under this

policy than the Named Insured. Where coverage is denied to the Named Insured, coverage is also denied to the loss payee.

We may cancel this policy according to its terms.

We will protect the loss payee's interest for:

- (1) 10 days after **we** mail them notice that the policy will terminate for non payment of premium.
- (2) 20 days after we mail them notice that the policy will terminate in all other cases.

If **we** pay the loss payee for any loss or damage suffered during that period, **we** have the right to recover the amount of any such payment to **you**.

If **you** fail to give proof of loss within the time allowed, the loss payee may protect its interest by filing a proof of loss within 30 days after that time.

The loss payee must notify **us** of any known change of ownership or increase in the risk. If it does not, it will not be entitled to any payment under this protection.

If **we** pay the loss payee under the terms of this protection for a **loss** not covered under the policy, **we** are subrogated to its rights against **you**. This will not affect the loss payee's right to recover the full amount of its claim. The loss payee must assign **us** its interest and transfer to **us** all supporting documents if **we** pay the balance due to the loss payee on the vehicle.

When the deductible amount shown in the Declarations Page for Car Damage coverage is less than \$250, the deductible amount applicable to losses payable to the loss payee under this coverage shall be \$250.

This deductible amount applies only when the covered automobile has been repossessed by or surrendered to the loss payee and the interest of the loss payee has become impaired.

All other losses payable under Part IV - Car Damage are subject to the deductible amount shown in the Declarations.

NOTICE TO POLICYHOLDERS

We are here to serve you.

As our policyholder, your satisfaction is very important to us. If you have a question about your policy, if you need assistance with a problem, or if you have a claim, you should first contact your insurance agent or us at (812) 858-4100. Should you have a valid claim, we fully expect to provide a fair settlement in a timely fashion.

Should you feel you are not being treated fairly with respect to a claim, you may contact the Arkansas Insurance Department with your complaint. To contact the Department, write or call:

Consumer Services Division
Arkansas Insurance Department
1200 W. 3rd Street
Little Rock, AR 72201-1904
1-800-852-5494 or 501-371-2640

INDEX

	PAGE
AGREEMENT	
Definitions Used Throughout This Policy	4-7
PART I – LIABILITY	
Coverage A- Liability Coverage Insuring Agreement	7-8
Additional Definitions Used In This Part Only	8
Additional Payments	8-9
Exclusions	9-11
Federal Tort Claims Act Exclusion	11
Conformity With State Financial Responsibility Laws	12
Out of State Insurance	12
Limits of Liability	12-13
Other Insurance	14
Right of Direct Action	14
PART II—PERSONAL INJURY PROTECTION COVERAGE	
Coverage B- Personal Injury Protection Coverage Insuring Agreements	
Medical and Hospital Benefits Coverage Insuring Agreement	14-15
Income Disability Benefits Coverage Insuring Agreement	15
Accidental Death Benefits Coverage Insuring Agreement	15
Additional Definitions Used In This Part Only	15-16
Exclusions	16-18
Limits of Liability	18-19
Other Insurance	19-20
PART III—UNINSURED/UNDERINSURED MOTORISTS	
Coverage C- Uninsured/Underinsured Motorists Coverage Insuring Agreement	20
Additional Definitions Used In This Part Only	21-22
Exclusions	23-25
Limits of Liability	25-28
Other Insurance	28-29
Trust Agreement	29-30
Arbitration	30

PART IV—CAR DAMAGE

Coverage D- Car Damage Coverage	
Insuring Agreement	31
Loss Settlement	31
Additional Definitions Used In This Part	
Only	31-32
Car Storage Coverage	33
Exclusions	33-35
Limit of Liability	35-36
Other Insurance	36
Appraisal	36
No Benefit To Bailee	37

PART V – GENERAL PROVISIONS

Notice To Company	37
Policy Period, Territory	37
Changes In Your Policy	37-38
Terms of Policy Conformed to Statutes	38
Suits Against Us	38
Our Recovery Rights	38-39
Joint & Individual Interests	39
Assignment	40
Bankruptcy	40
Payment of Premium	40
Cancellation and Non-Renewal	41-42
Automatic Termination	42-43
Fraud and Misrepresentation	43-44

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

Notice of Accident or Loss	44
Other Duties	44
Uninsured/Underinsured Motorists	45
Car Damage	45-46

**TOWING AND LABOR COVERAGE
ENDORSEMENT**

**RENTAL REIMBURSEMENT
COVERAGE ENDORSEMENT**

**NAMED DRIVER NON-OWNER
COVERAGE**

ADDITIONAL INSURED-LEASED MOTOR VEHICLES	49
LOSS PAYABLE CLAUSE	49-50
NOTICE TO POLICYHOLDERS	51

AGREEMENT

We agree with **you**, in return for **your** premium payment, to insure **you** subject to the terms of this policy. **We** will insure **you** for the coverages and Limits of Liability for which a premium is shown in the Declarations of this policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

- (1) **“We,” “us,” and “our”** mean the Company providing this insurance.
- (2) **“You” and “your”** mean the Policyholder named in the Declarations and spouse if living in the same household.
- (3) **“Auto business”** means the **business** or occupation of selling, leasing, repairing, servicing, delivering, testing, storing or parking cars.
- (4) **“Bodily injury”** means bodily harm, sickness, disease or death, but does not include emotional distress, mental injury or any similar injury.
- (5) **“Business”** includes trade, profession, or occupation.
- (6) **“Car”** means a licensed and registered automobile of the private passenger type designed for use upon a public road. **“Car”** also means a vehicle with a load capacity of 1,500 pounds or less of the pick-up or van type not used in any **business**. This definition shall not include:
 - (a) motorcycles;
 - (b) midget cars;
 - (c) golf mobiles;
 - (d) tractors;
 - (e) farm machinery;
 - (f) any vehicle operated on rails or crawler treads;
 - (g) any vehicle used as a residence or premises; or
 - (h) go carts.
- (7) **“Crime”** means any felony and any act of eluding the police.

- (8) “**Depreciation**” means decline of value due to wear and tear or obsolescence.
- (9) “**Diminution in value**” means the actual or perceived loss in market or resale value of property, which results from a **loss**.
- (10) “**Loaner Vehicle**” means a **car** operated by **you** that is:
 - (a) loaned to **you** by a duly licensed automobile dealer:
 - (i) as a temporary substitute for **your insured car** while **your insured car** is out of use because of its breakdown, repair or servicing, or
 - (ii) for use as a demonstration vehicle.
 - (b) rented or leased from a rental company that is in the business of providing primary private passenger vehicles to the public under a written rental agreement for a period not to exceed 90 days.
- (11) “**Loss**” means sudden, direct, and accidental loss or damage, arising out of the ownership, maintenance or use of a motor vehicle.
- (12) “**Non-owned car**” means a **car** used by **you** with the express permission of the owner and not owned by, furnished, or available for the regular use of **you**, a **relative**, or a **resident**.
- (13) “**Occupying**” means in, on, getting into or out of.
- (14) “**Private passenger car**” means a **car** of the private passenger type with not less than four wheels. This definition shall not include a van or pick-up truck.
- (15) “**Punitive or Exemplary Damages**” means damages which may be imposed to punish a wrongdoer and to deter others from similar conduct.
- (16) “**Property damage**” means damage to or destruction of tangible property, including loss of its use.
- (17) “**Racing**” means preparation for any **racing**, speed, off-road, demolition or stunting contest or activity. **Racing** also includes

participation in the event itself, whether or not such event, activity or contest is organized.

- (18) “**Relative**” means a person living in **your** household and related to **you** by blood, marriage or adoption, including a ward or foster child. Any **relative** 15 years of age or older must be disclosed to **us** in the application or other writing.
- (19) “**Resident**” means a person, other than a **relative**, living in **your** household. Any **resident** 15 years of age or older must be disclosed to **us** in the application or other writing.
- (20) “**Sound Reproducing Equipment**” means any electronic equipment, antennas, and any other devices used exclusively to send or receive audio, visual, or data signals, or to play back recorded media, other than those which were installed by the vehicle manufacturer as a part of a standard option package.
- (21) “**State**” means the District of Columbia and any **state** of the United States of America.
- (22) “**Utility trailer**” means a vehicle designed to be towed by a **private passenger car**.
- (23) “**Your insured car**” means:
- (a) the **car** owned by **you** described in the Declarations.
 - (b) a **car** you acquire during the policy period. The **car** must replace the **car** described in the Declarations. It will have the same coverages as the **car** it replaced with the exception of Car Damage Coverage. If you want Car Damage Coverage to apply to the replacement **car**, **you** must notify **us** within 30 days of the date **you** acquire it.

When **you** ask **us** to add Car Damage Coverage for the replacement **car**, such coverage will be in effect no earlier than the time and day on which you ask us to

add the coverage. If **you** ask **us** to add Car Damage Coverage in writing, the coverage will not be in effect until 12:01 A.M. on the day following the date of the postmark shown on the envelope containing your request. If a postage meter is used on the envelope containing **your** request to add Car Damage Coverage, coverage will be in effect no earlier than the time and day **your** request is received by **us**. All insurance for the **car** being replaced is ended when **you** take delivery of the replacement **car**.

- (c) a **car you** acquire during the policy period if it is in addition to any **car** described in the Declarations. **We** will provide the same coverages, exclusive of Car Damage Coverage, that **we** currently provide for any **car** shown on the Declarations.

These provisions apply only if, on the date **you** acquired the additional **car**, **we** insure all cars **you** own, and **you** ask **us** to insure the additional **car** within 30 days of the date **you** acquire it.

- (d) any substitute **car** or **utility trailer** not owned by **you**, a **relative**, or a **resident** being temporarily used by **you** with the express permission of the owner. The **car** must be a substitute for another **car** covered which is withdrawn from normal use due to breakdown, repair, servicing, **loss** or destruction.

For purposes of this policy, any **car** leased by **you** under a written agreement for a continuous period of at least six months shall be deemed to be owned by **you**.

PART I – LIABILITY

COVERAGE A – LIABILITY COVERAGE INSURING AGREEMENT

We will pay compensatory damages for **bodily injury** or **property damage** for which an **insured person** is legally liable because of the ownership or use of **your insured car** or a **non-owned car**.

Damages include prejudgment interest awarded against an **insured person**. The **bodily injury** or **property damage** must be caused by an auto accident.

This policy doesn't afford coverage and will not pay **punitive or exemplary damages**.

We will defend any suit or settle any claim for damages as we think appropriate.

Our duty to defend ends when our limit of liability for this coverage has been exhausted, whether through settlement or through our tender or interpleading our remaining limit of liability to a court. We have no duty to defend any suit or settle any claim for bodily injury or property damage not covered under this policy, or once we have settled or tendered or interplead our remaining limit of liability to a court.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part, "**insured person**" means:

- (1) **you**;
- (2) a **relative** or **resident** using **your insured car** with express permission from **you**;
- (3) a **relative** or **resident** using a **non-owned car** with the express permission of the owner and not owned by, furnished or available for the regular use of **you, a relative, or a resident**;
- (4) any person other than **you, a relative, or a resident** using **your insured car** with express permission from **you**.

ADDITIONAL PAYMENTS

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

- (1) all costs we incur in the settlement of a claim or defense of a suit.
- (2) all costs assessed against **you** in **our** defense of a suit.

- (3) interest on damages awarded in a suit **we** defend accruing after a judgment is entered. **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) any other reasonable expenses incurred at **our** request.

EXCLUSIONS

We do not provide coverage for **bodily injury** or **property damage**:

- (1) resulting from the ownership or use of a vehicle when used to carry persons or property for a charge. This includes rental of **your insured car** to others. This exclusion does not apply to shared expense **car** pools.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes, but is not limited to, mail, newspaper, floral, and food delivery.
- (3) caused intentionally by or at the direction of an **insured person**. The expected and unexpected results of these acts are not covered.
- (4) for which a person is an insured under a nuclear energy liability insurance policy. This exclusion applies even if the limits of that policy are exhausted.
- (5) to an employee of an **insured person** arising in the course of employment by an **insured person**. Coverage does apply to a domestic employee unless workers' compensation benefits are required or available for that employee.
- (6) resulting from the ownership or use of a vehicle by any person or **insured person** while that person is employed or otherwise engaged in a **business**. This exclusion does not include the use of **your insured car**:
 - (a) to carry tools and supplies between **your** home and job site; or
 - (b) by sales representatives, or members of the clergy.

- (7) to property owned or being transported by **you**, a **relative**, or **resident**.
- (8) to property rented to, used by, or in the care of **you**, a **relative**, or **resident**, except a residence or private garage.
- (9) resulting from the ownership, maintenance, or use of a motorized vehicle with more or less than four wheels.
- (10) arising out of the ownership or use of any vehicle, other than **your insured car**, which is owned by or available for regular use by **you**, a **relative** or **resident**.
- (11) resulting from the use of any vehicle for **racing**.
- (12) assumed by an **insured person** under any contract or agreement.
- (13) arising out of the ownership, maintenance or use of a **car** when rented or leased to others by any **insured person**.
- (14) incurred while the **car** is used for towing a trailer designed for use with other than a **private passenger car**.
- (15) resulting from the use of a **car** by a person specifically excluded.
- (16) due to or resulting from war, insurrection, rebellion, riot, or revolution.
- (17) arising out of the use of:
 - (a) **your insured car** by a person, including an **insured person**, without **your** express permission; or
 - (b) a **car** by any person, including an **insured person**, without the owner's express permission.
- (18) resulting from the use of a vehicle, by any person, including an **insured person**, without a reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably

believe that he or she is entitled to operate a vehicle.

- (19) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (20) arising out of actual, alleged, or threatened discharge, dispersal, release, or escape of any pollutant except if it is sudden and accidental and arises directly from **collision of your insured car**.
- (21) for any amount in excess of the minimum financial responsibility laws of the **state** where the accident occurs, or the **state** of Arkansas, whichever is higher, while the **insured person** is in the commission of a **crime**.
- (22) to any **insured person**.
- (23) for **punitive or exemplary damages**.
- (24) arising out of the operation of farm machinery.
- (25) to the owner of any vehicle while that person is a passenger in that vehicle driven by an **insured person**.
- (26) sustained by any person, this includes an **insured person**, while using or operating **your insured car** while engaged in the **business** of selling, leasing, repairing, servicing, parking, or storing motor vehicles. This includes testing, road testing, and delivery.

FEDERAL TORT CLAIMS ACT EXCLUSION

The following are not **insured persons** under Part I - Liability of the policy:

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

CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS

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

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

OUT OF STATE INSURANCE

If **you** are traveling in a **state** that has compulsory motor vehicle insurance requirements for non-residents, **we** will automatically provide the required liability insurance. **We** will not provide any coverage under the no-fault law or any other similar law of any other **state**.

LIMITS OF LIABILITY

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

- (1) the **bodily injury** liability limits for “each person” is the maximum **we** will pay as damages for **bodily injury** to one person in one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
- (2) subject to the **bodily injury** liability limit for “each person,” the **bodily injury** liability limit for “each accident” is the maximum **we** will pay as damages for all **bodily injury** to two or more persons in any one accident, including, but not limited to derivative claims of a **relative**, such as loss of consortium, loss of services or emotional damages.
- (3) the **property damage** liability limit for “each accident” is the maximum **we** will pay for all damages to property in one accident.
- (4) all **bodily injury** or **property damage** limits are subject to Exclusion (21), if applicable.

The “each person” limit of liability includes the total of all claims made for **bodily injury** to a person and

all claims of others, if allowed by law, that derive from such **bodily injury**, including but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium and wrongful death.

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

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

- (1) **insured persons**;
- (2) claims made;
- (3) claimants;
- (4) policies;
- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown in the Declarations or premiums paid, the limits for any coverage under this policy may not be added to the limits for similar coverage applying to other motor vehicles to determine the limit of insurance coverage available for bodily injury or property damage sustained in any one accident.

We will reduce any amount payable under this coverage to an injured person by any amount paid to that person under Part II Personal Injury Protection Coverage and Part III - Uninsured/Underinsured Motorists Coverage of this policy.

A **car** and **utility trailer**, whether attached or not, are considered one vehicle. Therefore, the limits of liability will not be increased for a **loss** including both.

OTHER INSURANCE

If there is other applicable liability insurance on a **loss** covered by this Part, **we** will pay only **our** share.

Our share is the proportion that **our** limits of liability bear to the total of all applicable limits. However, if there is other valid and collectible insurance on a **loss** covered by this part for a vehicle **you** do not own, no coverage or benefits will be afforded.

No insurance is afforded on newly acquired vehicles if there is other valid and/or collectible insurance.

Any insurance **we** provide for a **loaner vehicle** will be primary over any applicable insurance provided by a policy issued to the owner of the **loaner vehicle** for liability arising out of **your** use of the **loaner vehicle**.

RIGHT OF DIRECT ACTION

Any person entitled to payment of damages covered under this Part I, or his or her personal representative, shall be subrogated to the right of the person shown as the named insured on the Declarations Page for payment under this Part I. If a judgment against an **insured person** remains unsatisfied after thirty (30) days from the date notice of entry of judgment was served on either the **insured person**, the attorney for the **insured person**, or **us**, the injured person, or his or her personal representative, may maintain an action against **us** for the amount of the judgment not exceeding **our** Limits of Liability.

PART II – PERSONAL INJURY PROTECTION COVERAGE

COVERAGE B—PERSONAL INJURY PROTECTION COVERAGE INSURING AGREEMENTS

MEDICAL AND HOSPITAL BENEFITS COVERAGE INSURING AGREEMENT

Subject to the Limit of Liability shown on the Declarations Page, if **you** pay a premium for Medical and Hospital Benefits Coverage, **we** will pay for reasonable and necessary expenses, incurred within two (2) years from the date of a **loss**, for medical, hospital, nursing, dental, surgical, ambulance, funeral

and prosthetic services because of **bodily injury**;

- (1) sustained by an **insured person**;
- (2) caused by a **loss**; and
- (3) arising out of the ownership, maintenance or use of a motor vehicle.

Medical and Hospital Benefits Coverage includes payment for non-medical remedial care and treatment rendered in accordance with a recognized religious method of healing. Payment for hospital room charges shall be limited to the amount charged for semiprivate accommodations.

INCOME DISABILITY BENEFITS COVERAGE INSURING AGREEMENT

Subject to **our** Limit of Liability, if **you** pay a premium for Income Disability Benefits Coverage, **we** will pay for **income disability benefits** because of **bodily injury**:

- (1) sustained by an **insured person**;
- (2) caused by a **loss**; and
- (3) arising out of the ownership, maintenance or use of a motor vehicle.

No payment for **income disability benefits** shall be made for any period following the death of the **insured person**.

ACCIDENTAL DEATH BENEFITS COVERAGE INSURING AGREEMENT

If **you** pay a premium for Accidental Death Benefits Coverage, **we** will pay the amount stated on the Declarations Page for Accidental Death Benefits Coverage if an **insured person** dies within one (1) year of the date of a **loss** because of **bodily injury**:

- (1) caused by a **loss**; and
- (2) arising out of the ownership, maintenance or use of a motor vehicle.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

When used in this Part II:

- (1) “**Insured person**” and “**insured persons**” mean:

- (a) **you** or any **relative**; and
 - (b) any other person:
 - (i) while **occupying your insured car**; or
 - (ii) when struck by **your insured car** while a pedestrian, bicyclist, or motorcyclist, or while riding on an animal or in a horse-drawn wagon or cart.
- (2) “**Income disability benefits**” means loss of income from work the **insured person** would have earned, during the period beginning eight (8) days from the date of the **loss** and not exceeding fifty-two (52) weeks, had the **insured person** not sustained **bodily injury**. If the **insured person** did not earn income from work at the time of the **loss**, **income disability benefits** means expenses reasonably incurred, during the period beginning eight (8) days from the date of the **loss** and not exceeding fifty-two (52) weeks, to obtain essential services in lieu of those the **insured person** would have performed, without income, for the benefit of the **insured person** or his or her family, had the **insured person** not sustained **bodily injury**.

EXCLUSIONS

The coverages provided under this Part II do not apply to **bodily injury**:

- (1) sustained by any person, other than **you** or a **relative**, who is a named insured or additional insured under any other valid and collectible automobile insurance policy providing the minimum personal injury protection coverages required by law.
- (2) sustained by any person who intentionally caused such **bodily injury**. The expected and unexpected results of these acts are not covered.
- (3) sustained by any person while in the commission of a **crime**.
- (4) to the extent benefits are paid or payable under any workers’ compensation law, disability benefits law or similar law. However, this exclusion does not

apply to Accidental Death Benefits Coverage.

- (5) sustained by any person while using or **occupying** any motor vehicle **owned** by **you**, other than **your insured car**.
- (6) sustained by a **relative** while using or **occupying** any motor vehicle **owned** by that **relative**, other than **your insured car**.
- (7) sustained by any person arising from the use of a motor vehicle as a residence or premises.
- (8) sustained while **occupying** a motor vehicle while being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, or any other products. This exclusion does not apply to shared expense **car** pools.
- (9) arising out of a **loss** involving a motor vehicle while being used by any person while employed or engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using **your insured car**.
- (10) due to a nuclear reaction or radiation.
- (11) for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of that policy are exhausted.
- (12) sustained by any person while **occupying your insured car** without the express permission of **you** or a **relative**.
- (13) sustained by **you** or a **relative** while **occupying a non-owned car** without the express permission of the owner.
- (14) due to war, declared or undeclared, civil war, insurrection, rebellion or revolution or any act or condition incident to any of the above.
- (15) sustained while **occupying** any motor vehicle having more or less than four wheels.
- (16) resulting from the use of any vehicle for **racing**.
- (17) arising out of the ownership or use of any vehicle,

other than **your insured car** which is owned by or available for regular use by **you, a relative, or a resident.**

- (18) resulting from the use of a **car** by a person specifically excluded.
- (19) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (20) resulting from the use of a vehicle, by any person, including an **insured person**, without a reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a vehicle.

LIMITS OF LIABILITY

The Limit of Liability for Medical and Hospital Benefit Coverage and the Limit of Liability for Accidental Death Benefits Coverage are both shown on the Declarations page.

Our Limit of Liability for Income Disability Benefits Coverage is as follows:

- (1) If the **insured person** earned income from work at the time of the **loss, we** will pay no more than 70% of loss of gross income per week, not to exceed \$140 per week or pro rata for a shorter period.
- (2) If the **insured person** did not earn income from work at the time of the **loss, we** will pay no more than \$70 per week, or pro rata for a shorter period.

The Limits of Liability for the coverages provided under this Part II represent the most **we** will pay for each **insured person** injured in any one accident, regardless of the number of:

- (1) **insured persons;**
- (2) claims made;
- (3) claimants;
- (4) policies;

- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

The total damages recoverable under this Part II shall be reduced by any payment to that person for the same elements of damages under Part I - Liability and Part III—Uninsured/Underinsured Motorist Coverage.

OTHER INSURANCE

- (1) With respect to **bodily injury** sustained by a **relative**, any Medical and Hospital Benefits Coverage or Income Disability Benefits Coverage afforded by this Part II shall be excess over any other similar coverage provided by a motor vehicle insurance policy under which the **relative** is a named insured.
- (2) If **you** or a **relative** are insured under any other motor vehicle insurance policy providing coverage for **income disability benefits** or similar coverage, the most that **you** or a **relative** may recover for **income disability benefits** shall not exceed the amount payable under the policy providing the highest limits of liability.
- (3) No coverage will be provided under this Part II for any person, other than **you** or a **relative**, who is a named insured or additional insured under any other valid and collectible motor vehicle insurance policy providing the minimum personal injury protection coverages required by law.

Subject to 1, 2, and 3 above, if there is other applicable personal injury protection 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 coverage provided under this Part II arising out of the operation of a **loaner vehicle** by **you** will be primary over any applicable insurance provided by a policy issued to the owner of the

loaner vehicle for personal injury protection insurance.

No one shall be entitled to recover duplicate payments for **income disability benefits** or medical and hospital benefits under this or any other motor vehicle insurance policy.

PART III – UNINSURED/UNDERINSURED MOTORISTS

COVERAGE C— UNINSURED/UNDERINSURED MOTORISTS COVERAGE INSURING AGREEMENT

We will pay compensatory damages which an **insured person** is legally entitled to recover from the owner or operator of an:

- (1) **Uninsured or Underinsured motor vehicle** because of **bodily injury**;
 - (a) sustained by an **insured person**; and
 - (b) caused by an accident.
- (2) **Uninsured motor vehicle** because of **property damage** caused by an accident arising out of actual physical contact with **your insured car** if the Declarations indicate Uninsured Motorists Property Damage Coverage applies.

The owner's or operator's liability for these damages must be caused by an accident and arise out of the ownership, maintenance, or use of the **uninsured or underinsured motor vehicle**.

We will pay damages under this coverage caused by an accident with an **underinsured motor vehicle** only if the limits of liability under any applicable bodily injury liability bonds or policies have been exhausted by payments of judgments or settlements.

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

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part:

- (1) **“Insured person”** means:
 - (a) **you;**
 - (b) a **relative** who does not own a **car;**
 - (c) a **relative** who owns a **car**, but only while **occupying your insured car;**
 - (d) any other person occupying your **insured car** with the express permission of **you.**
- (2) **“Property damage”** means injury to or destruction of:
 - (a) **your insured car**, including loss of use;
or
 - (b) any property owned by an **insured person** while contained in **your insured car** at the time of the **loss.**
- (3) **Underinsured motor vehicle** means a land motor vehicle to which a **bodily injury** liability bond or policy applies at the time of the accident, but its limit of liability for **bodily injury** is less than the amount of the **insured person’s** damages.

However, **underinsured motor vehicle** does not include:

- (a) an **uninsured motor vehicle.**
 - (b) any vehicle or equipment owned or operated by a self-insurer under any applicable motor vehicle law.
 - (c) any vehicle or equipment owned by any governmental unit or agency.
 - (d) a vehicle insured under the liability coverage of the same policy of which this Underinsured Motorists Coverage is a part.
- (4) **Uninsured motor vehicle** means a land motor vehicle:
 - (a) to which no liability bond or policy applies at the time of the accident.
 - (b) 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 Arkansas law.

- (c) a hit-and-run vehicle whose owner or operator cannot be identified and which hits:
 - (i) the **insured person**;
 - (ii) a vehicle an **insured person** is **occupying**; or
 - (iii) **your insured car**.
- (d) to which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - (i) denies coverage;
 - (ii) is or becomes insolvent.

However, **uninsured motor vehicle** does not include:

- (a) an **underinsured motor vehicle**.
- (b) any vehicle or equipment owned or operated by self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
- (c) any vehicle or equipment owned by any governmental unit or agency while being used in an unauthorized manner.
- (d) with respect to damages for **property damage** only, if the owner and operator of the at-fault vehicle cannot be identified.

In addition, neither **uninsured** nor **underinsured motor vehicle** includes any vehicle or equipment:

- (a) owned by or furnished or available for the regular use of **you**, a **relative**, or a **resident**.
- (b) operated on rails or crawler treads.
- (c) designed mainly for use off public roads while not on public roads.
- (d) while located for use as a residence or premises.

EXCLUSIONS

This coverage does not apply for **bodily injury** or **property damage**:

- (1) to a person sustained while using a vehicle without the owner's express permission to do so. This includes an **insured person**.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes but is not limited to mail, newspaper, floral, and food delivery.
- (3) to a person if that person or the legal representative of that person makes a settlement without **our** written consent. This includes an **insured person**.
- (4) to property contained in or struck by a motor vehicle, other than **your insured car**, owned by **you, a relative, or a resident**.
- (5) to a person, including an **insured person**, occupying or struck by a motor vehicle owned by **you, a relative, or a resident** which is not insured for this coverage under this policy.
- (6) to a person, including an **insured person**, occupying **your insured car** when used to carry persons or property for a charge. This exclusion does not apply to shared expense **car pools**.
- (7) for the first \$200 of the amount of **property damage** to the property of each **insured person** as the result of any one accident with an **uninsured motor vehicle**. This exclusion does not apply if:
 - (a) we insure **your insured car** for both collision and uninsured motorists property damage coverage; and
 - (b) the operator of the **uninsured motor vehicle** is positively identified and is solely at fault.
- (8) resulting from the use of a **car** by a person or persons specifically excluded.
- (9) for **punitive or exemplary damages**.

- (10) to an **insured person** claiming Uninsured/ Underinsured Motorists Coverage who does not notify the police within 24 hours if a hit and run driver is involved.
- (11) for **diminution in value**.
- (12) a motorized vehicle or device of any type designed to be operated on the public road that is **owned by you** or a **relative**, other than **your insured car**.
- (13) sustained while **your insured car** is being used or driven by a person while employed or engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you** or a **relative**, when using **your insured car**.
- (14) resulting from any prearranged or organized **racing** contest.
- (15) due to a nuclear reaction or radiation.
- (16) for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of that policy are exhausted.
- (17) to a **utility trailer**.
- (18) resulting from the use by any person, including an **insured person**, who is not a properly or legally licensed driver, or is in violation of any condition of their driving privileges.
- (19) resulting from the use of a vehicle, by any person, including an **insured person**, without reasonable belief that the person is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a motor vehicle.
- (20) while **occupying** any motorized vehicle having more or less than four wheels.
- (21) while **occupying** a vehicle located for use as a residence or premises.

This coverage shall not apply directly or indirectly to benefit:

- (a) any insurer or self-insurer under any disability benefits law or similar law.
- (b) any insurer of property.

We do not provide Uninsured/Underinsured Motorists Coverage for punitive or exemplary damages.

LIMITS OF LIABILITY

- (1) The limits of liability shown in the Declarations for Uninsured Motorists Coverage or Underinsured Motorists Coverage apply subject to the following:
 - (a) the **bodily injury** liability limits for “each person” is the maximum we will pay as damages for **bodily injury** to one person in one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
 - (b) subject to the **bodily injury** liability limit for “each person,” the **bodily injury** liability limit for “each accident” is the maximum we will pay as damages for all **bodily injury** to two or more persons in any one accident, including, but not limited to, derivative claims of a **relative**, such as loss of consortium, loss of services, or emotional damages.
 - (c) the **property damage** liability limit for “each accident” is the maximum we will pay for all damages to property in one accident.
- (2) In determining the amount payable under this Part III, the amount of the damages sustained by the **insured person** due to **bodily injury** shall be reduced by all sums:
 - (a) paid by or on behalf of any persons or organizations that may be legally responsible, including, but not limited to, all sums paid under Part I – Liability To Others.

- (b) paid under Part II—Personal Injury Protection Coverage.
 - (c) paid or payable because of **bodily injury** under any disability benefit law or similar laws.
- (3) The Limits of Liability under this Part III for **property damage** shall be reduced by all sums paid:
- (a) because of **property damage** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part I—Liability; and
 - (b) under Part IV— Car Damage for **property damage**.
- (4) **Our** Limit of Liability under this Part III for **property damage** arising out of one accident is the lowest of:
- (a) the actual cash value of the **property damage** at the time of the accident, reduced by the applicable deductible, and by its salvage value if **you** or the owner retain the salvage.
 - (b) the amount necessary to replace the **property damage**, reduced by the applicable deductible, and by its salvage value if **you** or the owner retain the salvage.
 - (c) the amount necessary to repair the **property damage** to its pre-loss condition, reduced by the applicable deductible.
 - (d) any limit of liability shown on the Declarations Page for **property damage** under this Part III, reduced by the salvage value of the **property damage** if **you** or the owner retain the salvage.
- (5) Payments for **property damage** under this Part III are subject to the following provisions:
- (a) any amount payable under this Part III for **property damage** shall be subject to the deductible shown on the Declarations Page;
 - (b) no more than one deductible shall be applied to any one accident;

- (c) the deductible under this Part III shall not apply if:
 - (i) the operator of the **uninsured motor vehicle** has been positively identified and is solely at fault; and
 - (ii) **your insured car** is insured for collision coverage under Part IV—Car Damage.
- (d) an adjustment for **depreciation** and physical condition, including betterment, will be made in determining the Limit of Liability at the time of the **loss**; and
- (e) IN THE REPAIR OF **YOUR INSURED CAR** UNDER THE CAR DAMAGE COVERAGE PROVISIONS OF THIS POLICY, **WE** MAY REQUIRE OR SPECIFY THE USE OF MOTOR VEHICLE PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. THESE PARTS ARE REQUIRED TO BE AT LEAST EQUAL IN TERMS OF FIT, QUALITY, PERFORMANCE, AND WARRANTY TO THE ORIGINAL MANUFACTURER PARTS THEY REPLACE.

Any payment made to a person under this Part III shall reduce any amount that the person is entitled to recover for the same elements of damages under Part I—Liability or for **loss** under Part IV—Car Damage.

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

Any judgment or settlement for damages against an operator or owner of an **uninsured motor vehicle** or **underinsured motor vehicle** which arises out of a lawsuit brought without **our** written consent is not binding to **us**.

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

The “each person” limit of liability includes the total

of all claims made for **bodily injury** to an **insured person** and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

We will pay no more than the maximum limit of liability as shown in the Declarations for Uninsured Motorists Coverage or Underinsured Motorists Coverage regardless of the number of:

- (1) **insured persons**;
- (2) claims made;
- (3) claimants;
- (4) policies;
- (5) vehicles involved in the accident;
- (6) lawsuits brought; or
- (7) premiums paid.

Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown in the Declarations or premiums paid, the limits for any coverage under this policy may not be added to the limits for similar coverage applying to other motor vehicles to determine the limit of insurance coverage available for **bodily injury** suffered by a person in any one accident.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage:

- (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.
- (4) However, any insurance **we** provide under this Part III will be primary over any applicable insurance provided by a policy issued to the owner of a **loaner vehicle** if **you** are operating the **loaner vehicle** involved in an accident and:
 - (a) an **insured person** sustains bodily injury; or
 - (b) the **loaner vehicle** sustains property damage.

TRUST AGREEMENT

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

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

- (6) An **insured person** under this coverage must do nothing before or after a **loss** to prejudice **our** rights of recovery from any **uninsured** or **underinsured** motorists.

ARBITRATION

If **we** and an **insured person** cannot agree on:

- (1) the legal liability of the operator or owner of the **uninsured motor vehicle**; or
- (2) the amount of damages sustained by the **insured person**:

This will be determined by arbitration if **we** and the **insured person** agree to arbitration prior to the expiration of the bodily injury statute of limitations in the **state** in which the accident occurred.

If **we** and the **insured person** agree to arbitration, each party shall select an arbitrator. The two arbitrators will select a third. If the two arbitrators cannot agree on a third arbitrator within thirty (30) days, then on joint application by the **insured person** and **us**, the third arbitrator will be appointed by a court having jurisdiction.

Each party will pay the costs and fees of its arbitrator and any other expenses it incurs. The costs and fees of the third arbitrator will be shared equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resided. Local rules of procedure and evidence will apply.

A decision agreed to by two of the arbitrators will determine:

- (1) the legal liability of the operator or owner of the **uninsured motor vehicle**; and
- (2) the amount of the damages sustained by the **insured person**;

but will not be binding on either the **insured person** or **us**. The arbitrators shall have no authority to award an amount in excess of the limit of liability.

PART IV – CAR DAMAGE

COVERAGE D—CAR DAMAGE COVERAGE INSURING AGREEMENT

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

- (1) caused by **collision**; or
- (2) not caused by **collision**

less any applicable deductibles shown in the Declarations. Coverage does not apply under this Part for a **car** or **utility trailer** not owned by **you** other than **your insured car**.

LOSS SETTLEMENT

We may pay the **loss** in money or repair or replace damaged or stolen property. We may, at any time before the **loss** is paid or the property is replaced, return, at **our** expense, any stolen property either to **you** or to the address shown in the Declarations, with payment for any resulting damage. We may keep all or part of the property at the agreed or appraised value. **You** do not have the right to abandon salvage to **us**.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this Part:

- (1) “**Your insured car**” means:
 - (a) the vehicle listed in the Declarations for this coverage.
 - (b) a vehicle **you** acquire during the policy period provided:
 - (i) it replaces the vehicle which was insured under the Car Damage portion of this policy; and
 - (ii) **you** notify **us** within 30 days of the date you acquire it. When **you** ask **us** to add Car Damage Coverage for the replacement **car**, such coverage will be in effect no earlier than the time and day on which **you** ask **us** to add the coverage. If **you** ask **us** to add Car Damage Coverage in writing, the coverage will not be in effect until 12:01

A.M. on the day following the date of the postmark shown on the envelope containing your request. If a postage meter is used on the envelope containing **your** request to add Car Damage Coverage, coverage will be in effect no earlier than the time and day **your** request is received by **us**. All insurance for the **car** being replaced is ended when **you** take delivery of the replacement **car**.

- (c) a **car** or **utility trailer** not owned by or furnished or available for the regular use of **you**, a **relative** or a **resident** while being used with the express permission of the owner.
- (2) “**Insured person**” means:
 - (a) **you**, a **relative**, or **resident**.
 - (b) any person using **your insured car** with **your** express permission.
- (3) “**Collision**” means the impact of **your insured car** with another object or upset of **your insured car**. **Loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is **loss** not caused by **collision**.
- (4) “**Loss**” means sudden, direct and accidental loss of or damage to:
 - (a) **your insured car**; or
 - (b) its original equipment, as available and permanently installed by the manufacturer as part of a standard option package at the time of purchase.

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

- (5) “**Special Equipment**” means equipment that was not installed by the manufacturer as part of a standard option package at the time of purchase. This includes but is not limited to:
 - (a) radios, stereos, CD players, tape or

- cassette players, and their accessories;
- (b) camper shells, toppers, and bed liners;
- (c) custom interior work such as carpeting, seats, paneling, or furniture;
- (d) any equipment that modifies the vehicles standard appearance or performance;
- (e) T-tops, moon roofs, sun roofs, nose bras, custom wheels and tires, custom paint work, decals and graphics;
- (f) **utility trailers**; or
- (g) **sound reproducing equipment**.

CAR STORAGE COVERAGE

We will pay up to \$10 a day with a maximum of \$300 for the cost of storage of **your insured car** in the event of a **loss to your insured car** for which coverage is provided under this Part.

EXCLUSIONS

We do not cover **loss**:

- (1) to **your insured car** while used to carry persons or property for a charge. This includes rental of **your insured car** to others. This exclusion does not apply to shared expense **car** pools.
- (2) resulting from the ownership or use of a vehicle when used for wholesale or retail delivery. This includes, but is not limited to, mail, floral, and food delivery.
- (3) caused by war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequences of any of these.
- (4) to **sound reproducing equipment** not permanently installed in the dash or console opening of **your insured car**.
- (5) to tapes, compact discs, or similar items used with **sound receiving equipment**.
- (6) to **sound receiving equipment** or transmitting equipment designed for use as citizens band radios, two-way mobile radios, telephones, scanning monitor receivers, radar detectors, television sets, video cassette recorders, audio

- cassette recorders, personal computers, their accessories or antennas.
- (7) to awnings, cabanas, or equipment designed to provide living facilities.
 - (8) resulting from prior **loss** or damage, manufacturer's defects, wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires. However, coverage does apply if the damage is the result of other **loss** covered by this policy.
 - (9) to **your insured car** due to destruction or confiscation by governmental authorities because of use in illegal activities, or failure to bring it into compliance with the Environmental Protection Agency or the Department of Transportation.
 - (10) to **special equipment**.
 - (11) to refrigeration, cooling, or sleeping facilities.
 - (12) to any vehicle used for **racing**.
 - (13) caused by the theft or conversion of **your insured car** by a person **you** have voluntarily entrusted **your insured car** to. This exclusion does not apply when **your insured car** is stolen from the person **you** loaned the **car** to, if the theft is reported to the police within 24 hours of the **loss**.
 - (14) to **your insured car** arising out of or during its use for the transportation of any:
 - (a) explosive substance;
 - (b) flammable liquid; or
 - (c) similar hazardous materials;except transportation incidental to **your** ordinary household or farm activities.
 - (15) to clothes, tools, or personal effects.
 - (16) to **your insured car** caused by or resulting from **you** acquiring **your insured car** from the seller without legal title available to **you**.
 - (17) to any equipment which mechanically or structurally changes **your insured car** and results in an increase in performance.

- (18) to **your insured car** while being used by an **insured person** while in the commission of a **crime**.
- (19) to **your insured car** caused intentionally by or at the direction of an **insured person**. The expected and unexpected results of these acts are not covered.
- (20) to **your insured car** while being operated by a person or persons specifically excluded.
- (21) to any vehicle not owned by **you** not caused by **collision**.
- (22) to any vehicle that is subject to any bailment lease, conditional sale or consignment agreement, not specifically declared and described in this policy.
- (23) to **your insured car** due to **diminution in value**.
- (24) resulting from using a vehicle without a reasonable belief that the **person**, including an **insured person**, is entitled to do so. Without limiting this exclusion, any person, including an **insured person**, operating a motor vehicle without a valid, in force, operator's license or permit cannot reasonably believe that he or she is entitled to operate a vehicle.
- (25) resulting from the use by any **person**, including an **insured person**, who is not a properly licensed or legally licensed driver, or is in violation of any condition of their driving privileges.

LIMIT OF LIABILITY

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

- (1) the actual cash value of **your insured car** which was stolen or damaged; or
- (2) the amount necessary to repair or replace **your insured car** which was stolen or damaged; or
- (3) the amount necessary to repair or replace a **utility trailer** not owned by **you**, a **relative** or **resident** subject to a maximum of \$500.

However, in the event that the coverage applies to a **car you** do not own, **our** liability is limited to the highest actual cash value of **your insured car** described in the Declarations for which Car Damage Coverage has been purchased.

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

OTHER INSURANCE

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

Any insurance **we** provide for a **loaner vehicle** will be primary over any applicable insurance provided by a policy issued to the owner of the **loaner vehicle** for a **loss** arising out of **your** use of the **loaner vehicle**.

APPRAISAL

If **we** cannot agree with **you** on the amount of a **loss**, then **we** and **you** may agree to appraisal of the **loss**. If the parties agree to appraisal, each party shall appoint a competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraiser. If the two appraisers are unable to agree upon an umpire within fifteen (15) days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of **loss**. The amount of **loss** agreed to by both appraisers, or by one appraiser and the umpire, will determine the amount payable under this Part IV, but will not be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. Payment of the umpire and all other expenses of the appraisal will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

NO BENEFIT TO BAILEE

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

PART V – GENERAL PROVISIONS

NOTICE TO COMPANY

Your notice to **our** authorized agent will be deemed to be notice to **us**.

POLICY PERIOD, TERRITORY

This policy applies only to accidents and losses during the policy period shown in the Declarations and occurring within the United States of America, its territories or possessions, or between their ports and Canada.

CHANGES IN YOUR POLICY

This policy, the application, any endorsements, any offer of reinstatement, any lapse in coverage form, and the Declarations include all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effectuated in this policy except by endorsement issued by **us**. Messages left after normal business hours will not affect coverage. All changes are subject to underwriting review and approval. If a premium adjustment is necessary, **we** will make it as of the effective date of the change. When **we** broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective.

The premium for each term of this policy is determined by information in **our** possession at the inception date of that term. Any change in this information which would affect the rating of **your** policy gives **us** the right to make an additional charge or refund on a pro-rata basis.

REGARDLESS OF PREMIUM CHANGE, YOU HAVE A DUTY TO INFORM US OF ANY SUCH CHANGE (including, but not limited to, change in vehicles, use of vehicles, Named Insured's and additional drivers' occupations, marital status, garaging address, **residents** in household, children

eligible to drive, drivers' physical condition, medication, or moving out of the State of Arkansas).

TERMS OF POLICY CONFORMED TO STATUTES

If any provision of this policy fails to conform with the legal requirements of the **state** listed on **your** application as **your** residence, the provisions shall be deemed amended to conform with such legal requirements. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provision of this policy shall be governed by the law of the **state** listed on **your** application as **your** residence.

SUITS AGAINST US

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

No suit or action whatsoever shall be brought against **us** for the recovery of any claim under Part III - Uninsured/Underinsured Motorists coverage unless same is commenced within the time allowed by law.

If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

OUR RECOVERY RIGHTS

In the event of a payment under this policy, **we** are entitled to all the rights of recovery that the **insured person** to whom payment was made has against another after the **insured person** has been fully compensated for their **loss**. That person or organization must sign and deliver to **us** any legal papers relating to that recovery. They must also do whatever else is necessary to help **us** exercise those rights and do nothing after **loss** to harm **our** rights.

However, **we** may not assert rights of recovery against any person who was using **your insured car** with **your** express permission for any payment made under Part IV—Car Damage.

When an **insured person** has been paid by **us** under this policy and also recovers from another person, entity, or organization, the amount recovered will be held by the **insured person** in trust for **us** and reimbursed to **us** to the extent of **our** payment. However, this shall not apply to payment by **us** under any Accidental Death Benefits Coverage provided under Part II of this policy.

If recovery is made by an **insured person** under this policy from a responsible person, entity or organization without **our** written consent, the **insured person's** right to payment under any affected coverage will no longer exist.

Our right of recovery does not apply to underinsured motorist benefits if:

- (1) the **insured person** sends **us** written notice, in accordance with the requirements of Part III—Uninsured/Underinsured Motorist Coverage, of any tentative settlement agreement reached with owner or operator of an **underinsured motor vehicle**, or such person's liability insurer; and
- (2) **we** fail to pay the sum offered in settlement to the **insured person** by the owner or operator of an **underinsured motor vehicle**, or that person's liability insurer, within thirty (30) days of **our** receipt of such notice.

Our right of recovery does not apply to underinsured motorist benefits to the extent of any payment **we** have made to the **insured person** under a policy of liability insurance issued by **us** to the **owner** or operator of an **underinsured motor vehicle**.

JOINT AND INDIVIDUAL INTERESTS

If there is more than one named insured on this policy, any named insured may cancel or change this policy. The action of one named insured shall be binding on all persons provided coverage under this policy.

ASSIGNMENT

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

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

BANKRUPTCY

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person**. If execution of a judgment against the **insured person** is returned unsatisfied because of the insolvency or bankruptcy, in an action brought by the injured person or his or her personal representative in case death results from the **loss**, then an action may be maintained by the injured person or their personal representative against **us** for the amount of the judgment in the action not exceeding **our** limits of liability.

PAYMENT OF PREMIUM

If **your** initial premium is by check, draft, or any remittance other than cash, coverage under this policy is conditioned upon the check, draft, or remittance being honored upon presentment to the bank or other financial institution. If the check, draft, or remittance is not honored upon presentment, this policy may, at **our** option, be deemed void from its inception. This means that **we** will not be liable under this policy for any claims or damages which would otherwise be covered if the check, draft, or remittance had been honored upon presentment.

A charge may be added to **your** account if:

- (1) **you** tender a check, draft, or remittance or other method of payment to **us** for any full or partial payment of **your** premium, other than **your** initial payment, and the check, draft, remittance or other method of payment is returned to **us** or refused because of insufficient funds, a closed account, or a stop payment order; or
- (2) **your** premium payment is received after the due date but prior to cancellation.

CANCELLATION AND NON-RENEWAL

This policy may be canceled during the policy period as follows:

- (1) **You** may cancel by:
 - (a) returning this policy to **us**; or
 - (b) giving **us** advance written notice of the future date cancellation is to take effect.
- (2) **We** may cancel by mailing to **you** at the address shown in the Declarations:
 - (a) at least 10 days notice:
 - (i) if cancellation is for nonpayment of premium; or
 - (b) at least 20 days notice in all other cases;
 - (c) **we** may cancel this policy for any reason within the first 59 days of the initial policy period.
- (3) After this policy is in effect for 59 days, or if this is a renewal, **we** will cancel only:
 - (a) for nonpayment of premium; or
 - (b) loss of driving privileges during the policy period, or, if this is a renewal policy, during the policy period or the one hundred and eighty (180) days immediately preceding the effective date of renewal, through suspension or revocation of **your** operator's license or motor vehicle registration, or the license or registration of any other operator who either resides in the same household as **you** or who customarily operates **your insured car**. However, **we** will not cancel **your** policy solely due to an administrative revocation or suspension of an operator's license pursuant to Arkansas Code §5-65-104; or
 - (c) **you** or any driver of **your insured car** have been convicted of:
 - (i) driving while intoxicated;
 - (ii) homicide or assault arising out of the use of a motor vehicle; or
 - (iii) three separate convictions of speeding or reckless driving, or any combination of the two, during the

policy period or the three months prior to the effective date of the policy; or

- (d) for fraud, willful misrepresentation or concealment on the part of any insured with respect to a material fact or circumstance relating to the issuance or continuation of this policy; or
- (e) for any other reason allowed by law.

If **we** decide not to renew this policy, **we** will mail notice to **you** at the address shown in the Declarations. Notice will be mailed at least 20 days before the end of the policy period.

Proof of mailing any notice shall be sufficient proof of notice. The effective date of cancellation stated in a notice is the end of the policy period.

Upon cancellation, **you** may be entitled to a premium refund. **Our** making or offering a refund is not a condition of cancellation.

If **we** cancel this policy for a reason other than non-payment of premium, any refund due will be computed on a daily pro-rata basis.

If cancellation is at **your** request, or for **your** non-payment of premium, a cancellation fee of \$25 will apply.

If **you** or **we** cancel, any premium due to **you** of \$10.00 or less will be refunded to **you** only upon **your** written request.

With regards to abandoned property as defined by the Unclaimed Property Act, any property deemed abandoned is subject to a monthly processing and holding charge of \$10.00 per month. This charge shall occur each consecutive month that the property remains unclaimed until such time the value of the abandoned property equals zero dollars.

All policies are subject to a minimum of \$50 earned premium.

AUTOMATIC TERMINATION

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

We will mail or deliver any premium billing notice

for renewal of this policy to **you**, at the address shown in the Declarations.

Coverage under this policy will terminate automatically:

- (1) If the down payment check for a new business policy or renewal term is not honored by the bank, the policy will be rescinded and no coverage will be afforded.
- (2) If other insurance is obtained on **your insured car**, similar insurance afforded under this policy for that **car** will cease on the effective date of the other insurance.
- (3) When a person other than an **insured person** becomes the owner of **your insured car**.

FRAUD AND MISREPRESENTATION

The statements made by **you** in the application are deemed to be **your** representations. If any representation contained in the application is false, misleading or materially affects the acceptance or rating of this risk by **us**, by either direct misrepresentation, omission, concealment of facts, or incorrect statements, this policy will be null and void from its inception.

If any representation contained in any notification of change is false, misleading or materially affects the acceptance or rating of this risk by **us**, by either direct misrepresentation, omission, concealment of facts, or incorrect statements, this policy will be null and void from the effective date of the change.

This policy will be voidable at **our** option if **you** or an **insured person** or any other individual act at or by the direction of **you** or any **insured person has**:

- (1) concealed or misrepresented any material fact;
or
- (2) committed or attempted fraud concerning any matter regarding this policy whether before or after a **loss**.

If **we** void this policy, this shall not affect coverage under Part I—Liability of this policy for a **loss** that occurs before **we** notify the named insured that the policy is void.

You have an ongoing duty to notify **us** if there is a material change in the risk or exposure that might affect the rating of your policy. (See “Changes In Your Policy” on page 37-38.)

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

NOTICE OF ACCIDENT OR LOSS

In the event of an accident or **loss**, notice must be given to **us** promptly. The notice must give the time, place, and circumstances of the accident or **loss**, including the names and addresses of injured persons and witnesses.

FAILURE TO PROMPTLY REPORT A LOSS OR ACCIDENT TO US MAY JEOPARDIZE YOUR COVERAGE UNDER THIS POLICY.

WE WILL NOT PAY FOR ANY JUDGMENT RENDERED AGAINST YOU PRIOR TO OUR RECEIVING ACTUAL NOTICE OF THE LAWSUIT.

OTHER DUTIES

A person claiming any coverage under this policy must also:

- (1) cooperate with **us** and assist **us** in any matter concerning a claim or suit, including presence at a trial.
- (2) send **us** promptly any legal papers received relating to any claim or suit.
- (3) submit to physical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require.
- (4) authorize **us** to obtain medical and other records including but not limited to credit and financial records.
- (5) submit a proof of loss under oath if required by **us**.
- (6) submit to an examination under oath as often as may be reasonably required.
- (7) upon **our** request, allow **us** to obtain a written or recorded statement concerning the circumstances of the claim and any damages claimed.

UNINSURED/UNDERINSURED MOTORISTS

A person claiming Uninsured/Underinsured Motorists Coverage must also notify the police within 24 hours of the accident if a hit-and-run driver is involved.

An **insured person** shall send to **us**, by certified mail, return receipt requested, written notice of any tentative settlement agreement reached with the owner or operator of an **underinsured motor vehicle**, or that person's liability insurer. However, this notice requirement shall not apply when **we** are making that offer of settlement as insurer of the owner or operator of the **underinsured motor vehicle**. The notice shall include:

- (1) written documentation of economic losses incurred, including copies of all medical bills;
- (2) written authorization or a court order allowing **us** to obtain medical reports from all employers and medical providers;
- (3) written confirmation from the owner or operator's liability insurer as to the amount of the liability limits and the terms of the settlement agreement. The agreement shall not include any sum representing **punitive or exemplary damages**.

Within thirty (30) days of **our** receipt of written notice of the tentative settlement agreement, **we** may pay the sum offered in the settlement to the **insured person**. If **we** do this, **we** are entitled to subrogate to the extent of **our** payment to the **insured person's** right of recovery against the owner or operator of the **underinsured motor vehicle** and the **insured person** must assign to **us** all rights to any amount subsequently paid from all applicable liability bonds and policies.

CAR DAMAGE

A person claiming Car Damage Coverage must also:

- (1) take reasonable steps after **loss** to protect the **car** and its equipment from further **loss**. **We** will pay reasonable expenses incurred in providing that protection.

- (2) report a theft of the **car** or its equipment to the police within 24 hours of discovering the theft.
- (3) allow **us** to inspect and appraise the damaged **car** before its repair or disposal.

In Witness Whereof, the company has caused this policy to be executed and attested.



Senior Vice President

President

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF TLC-0899 APPEARS ON
THE DECLARATIONS PAGE.**

**TOWING AND LABOR COVERAGE
ENDORSEMENT**

If **you** pay a premium for Towing and Labor Coverage, **we** will pay for towing and labor costs incurred by **you** each time **your insured car**, is disabled, subject to the Limit of Liability shown on the Declarations Page, provided that the labor is performed at the place of disablement.

All other terms and conditions of your Personal Car Policy remain unchanged.

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF RRC-0899 APPEARS ON
THE DECLARATIONS PAGE.**

**RENTAL REIMBURSEMENT COVERAGE
ENDORSEMENT**

If **you** pay a premium for Rental Reimbursement Coverage, **we** will reimburse **you** for reasonable and necessary rental charges actually incurred by **you**, subject to the Limit of Liability shown on the Declarations Page for the loss of use of **your insured car** because of damage covered under Car Damage Coverage to **your insured car**. In the event of the total theft of **your insured car**, **we** will only consider expenses incurred beginning 48 hours after the theft is reported to a law enforcement agency.

Rental charges will be reimbursed beginning when **your insured car** cannot be driven due to a covered loss or when **your insured car** is delivered to a repair shop for repairs due to a covered loss.

Your insured car must be continuously withdrawn from normal use for more than 24 hours.

The coverage period ends when **your insured car** is returned to use or **we** make a settlement to pay the actual cash value of **your insured car**.

You must provide us written proof of **your** rental charges. Credit card receipts are not sufficient proof.

All other terms and conditions of your Personal Car Policy remain unchanged.

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF ENDORSEMENT
NUMBER NOP 0698 APPEARS ON THE
DECLARATIONS PAGE.**

**NAMED DRIVER NON-OWNER COVERAGE
AGREEMENT**

If **you** purchased a named driver non-owner policy, it is agreed that the policy is amended as follows:

AMENDMENT 1.

Definitions (2) and (23) in the Definitions Used Throughout This Policy are deleted in their entirety and replaced by the following:

(2) **“You”** and **“Your”** mean only the individual person named as the insured in the Declarations.

(23) **Your insured “car”** means any **private passenger car** or **utility trailer** not owned by you or furnished or available for **your** regular use.

AMENDMENT 2.

As used throughout this policy **“insured person”** means **you**.

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

AMENDMENT 3.

The “Other Insurance” provision in Part I –Liability, Part II—Personal Injury Protection and Part III – Uninsured/Underinsured Motorist is deleted in its entirety and replaced by the following:

OTHER INSURANCE

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

AMENDMENT 4.

Uninsured Motorist Property Damage coverage is deleted.

AMENDMENT 5.

No coverage applies under Part IV-Car Damage.

**THE FOLLOWING ENDORSEMENT
APPLIES ONLY IF ENDORSEMENT
NUMBER AIN 0698 APPEARS ON THE
DECLARATIONS PAGE.**

**ADDITIONAL INSURED-LEASED MOTOR
VEHICLES**

It is agreed:

- (1) that the **car** described in the Declarations shall be considered as owned by **you** while it is leased to **you** under a long-term contract from the owner whose name appears on the Declarations Page.
- (2) **you** are covered as the named insured.
- (3) under Part I – Liability, the owner shall be covered as an **insured person**.
- (4) under any Car Damage Coverage of Part IV of the policy that is in force, a **loss** shall be payable to **you** and the owner as the interests of each may appear.
- (5) this policy will not be changed or terminated as to the interest of the owner of the **car** without 10 days written notice to the owner.
- (6) there is no coverage while the **car** is loaned, rented or leased by the owner to any party other than **you**.
- (7) an additional insured has no greater rights under this policy than the named insured. Where coverage is denied to the named insured, coverage is also denied to the additional insured.

**THE FOLLOWING ENDORSEMENT APPLIES
ONLY IF ENDORSEMENT NUMBER LPC 0698
APPEARS ON THE DECLARATIONS PAGE.**

LOSS PAYABLE CLAUSE

We will pay **loss** or damage due under this policy according to **your** interest and that of the loss payee if one is shown in the Declarations. **We** may make separate payments according to those interests.

The loss payee has no greater rights under this

policy than the Named Insured. Where coverage is denied to the Named Insured, coverage is also denied to the loss payee.

We may cancel this policy according to its terms.

We will protect the loss payee's interest for:

- (1) 10 days after **we** mail them notice that the policy will terminate for non payment of premium.
- (2) 20 days after we mail them notice that the policy will terminate in all other cases.

If **we** pay the loss payee for any loss or damage suffered during that period, **we** have the right to recover the amount of any such payment to **you**.

If **you** fail to give proof of loss within the time allowed, the loss payee may protect its interest by filing a proof of loss within 30 days after that time.

The loss payee must notify **us** of any known change of ownership or increase in the risk. If it does not, it will not be entitled to any payment under this protection.

If **we** pay the loss payee under the terms of this protection for a **loss** not covered under the policy, **we** are subrogated to its rights against **you**. This will not affect the loss payee's right to recover the full amount of its claim. The loss payee must assign **us** its interest and transfer to **us** all supporting documents if **we** pay the balance due to the loss payee on the vehicle.

When the deductible amount shown in the Declarations Page for Car Damage coverage is less than \$250, the deductible amount applicable to losses payable to the loss payee under this coverage shall be \$250.

This deductible amount applies only when the covered automobile has been repossessed by or surrendered to the loss payee and the interest of the loss payee has become impaired.

All other losses payable under Part IV - Car Damage are subject to the deductible amount shown in the Declarations.

NOTICE TO POLICYHOLDERS

We are here to serve you.

As our policyholder, your satisfaction is very important to us. If you have a question about your policy, if you need assistance with a problem, or if you have a claim, you should first contact your insurance agent or us at (812) 858-4100. Should you have a valid claim, we fully expect to provide a fair settlement in a timely fashion.

Should you feel you are not being treated fairly with respect to a claim, you may contact the Arkansas Insurance Department with your complaint. To contact the Department, write or call:

Consumer Services Division
Arkansas Insurance Department
1200 W. 3rd Street
Little Rock, AR 72201-1904
1-800-852-5494 or 501-371-2640