



**American
Freedom
Insurance Company**
1699 Wall St Suite 600,
Mt Prospect, IL 60056

Your Pennsylvania Basic Personal Auto Policy

IMPORTANT: Please read your Pennsylvania Economy Plus policy carefully as it contains language which may restrict or exclude coverage. The policy specifically addresses who may use your vehicle and under what conditions coverage will be afforded. In most cases, only those individuals shown on the Declarations Page or endorsed on the policy prior to a loss are afforded coverage. This policy covers only the car insured and shown on the Declarations Page.

WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim 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 and subjects such person to criminal and civil penalties.

**Administrative Office:
1699 Wall St. Suite 600. Mount Prospect, Illinois
60056**

**Report Claims toll free: 1-877-467-8750
Or via internet www.americanfreedomins.com
24 hours a day, 7 days a week**

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POLICY AGREEMENT

This Personal Auto Policy is a binding contract between **you** and **us**. The contract includes the **Declarations Page**, endorsements, the **application**, the Personal Auto Policy, and all attachments. If **you** pay **your premium payment**, **we** will insure **you** subject to the terms of this policy. The **Declarations Page** shows a premium for each type of coverage purchased. The selected coverages in this policy apply only to accidents while the policy is in force.

This policy contains all of the agreements between **you** and **us** and any of **our** agents. The terms of this policy cannot be modified by any oral agreement. Any waiver or change of any provision of this policy must be in writing by **us** to be valid.

YOUR DUTIES IN CASE OF ACCIDENT OF LOSS

In case of an **auto accident** or loss, **you** or any person claiming coverage under this policy must:

1. Notify **us** promptly. **You** or someone for **you** must notify **us** within thirty (30) days, or when practicable. **You** must call **our** claims office during **business** hours or notify **us** through **our** webpage, available twenty-four (24) hours a day, seven (7) days a week. This

notice must give the time, place, and circumstances of the **accident** or loss. Such notice must also give the license plate numbers of the **vehicles** involved, and the names and addresses of injured persons and witnesses. **YOUR FAILURE TO PROMPTLY REPORT A LOSS OR ACCIDENT TO US JEOPARDIZES YOUR COVERAGE UNDER THIS POLICY.**

2. Cooperate with **us** in any matter concerning a claim or suit.
3. Submit to physical examination at **our** expense, by doctors **we** select, as often as **we** may require, and authorize **us** to obtain **your** medical and other records.
4. Provide any written proof of loss under an oath that **we** require.
5. Not admit any fault, assume any obligation, nor agree to incur any expense concerning any claim or **accident**.
6. Attend hearings and trials as a court or **we** may require.
7. Send **us** promptly any legal papers received to any claim or suit.
8. Submit to statements or examinations under an oath and subscribe to the same as **we** may require.
9. Allow **us** to take signed or recorded statements when and as often as **we** may require.

We may examine any **insured person** under an oath, while not in the presence of any other **insured person**. This examination may be about any matter relating to this insurance or the claim, including an **insured person's** books and records. In case of the examination, an **insured person** must sign their answers.

A person claiming Uninsured or Underinsured Motorist Coverages, or someone for them, must contact the police within forty-eight (48) hours, or when practicable, after the **accident** if a hit-and-run driver is involved. They must promptly send **us** copies of any legal papers in case of a suit.

A person claiming coverage, for **property damage** or loss or damage to **the insured auto** must take reasonable steps after the **accident** to protect the property from further loss or damage. **We** will pay reasonable expenses incurred for that protection. In case of any theft or vandalism of **the insured auto**, **you** must promptly file a written report with the appropriate law enforcement agency. **You** must also allow **us** to inspect and appraise the damaged property before its repair or disposal.

A person seeking Extraordinary Medical Benefits Coverage must submit conclusive proof when required by **us**. This proof must show that medical expense has been incurred of at least one hundred thousand dollars (\$100,000)-. This must be because of any one (1) **accident** by an insured seeking coverage under Extraordinary Medical Benefits.

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

DEFINITIONS USED THROUGHOUT THIS POLICY

Unless defined differently elsewhere in this policy, the words and phrases listed below shall have the following meanings and shall appear in bold print.

1. **"Accident"** means a sudden, unexpected, and unintended event causing **bodily injury**, or **property damage**, arising out of the ownership, maintenance, or use of an **auto**. Coverage under this policy shall not apply if the insured either intended the **accident** or its consequences or could have expected them from his or her viewpoint.

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 (1) **accident**.

2. **"Application"** means the form entitled **Application** for Insurance that contains statements, coverage options, and agreements that form a part of this policy.
3. **"Auto"** means a licensed and registered motorized four (4) wheel land **vehicle** of the private passenger type intended for use on public roads. An **auto** includes a pickup, van, or sport utility **vehicle**, with a load capacity of one thousand five hundred (1,500) pounds or less. An **auto** is not used in any **business** other than farming or ranching. An **auto** does not include motorcycles, midget cars, golf carts, tractors, or farm machinery. In addition, an **auto** does not include any **vehicle** operated on rails or crawler treads, or any **vehicle** used as a residence or premises.
4. **"Auto business"** means the **business** of selling, leasing, repairing, servicing, delivering, testing, road testing, towing, storing, or parking **vehicles** or **trailers**.
5. **"Bodily injury"** means injury to the body, including sickness or disease, resulting in impairment of physical condition, including death resulting from it, which is caused solely by an **accident** covered under this policy and occurring while the policy is in force.
6. **"Business"** means trade, profession, occupation, courses of employment, job, or commercial use of any kind. **Business** shall not include the use of **the insured auto** to carry tools and supplies between **your** home and job site.
7. **"Crime"** means any felony and includes any attempt to elude law enforcement personnel.
8. **"Declarations Page"** means the document **you** receive from **us** listing the types of coverage **you** have selected, the limit for the coverage, the cost for the coverage, **deductibles**, the specified **autos** covered by

this policy, the types of coverage for each such **auto**, and other information applicable to this policy.

9. **“Minimum statutory limits”** means the minimum policy limits for **vehicle** liability coverage required by the law of the **state** of Pennsylvania.
10. **“Non-economic loss”** means pain, suffering, and other non-monetary detriment.
11. **“Non-owned auto”** means any **auto** used by **you** with the express or implied permission of the **owner** and not **owned** by, furnished, or available for the regular use of **you**, a **relative**, or a **resident**. A **non-owned auto** does not include a rental **vehicle** or a substitute **auto**.
12. **“Occupying”** means in, upon, entering, or exiting from.
13. **“Owned”** means to hold actual legal title to the **vehicle**, to have legal possession of the **vehicle** that is subject to a conditional sale agreement or mortgage, or to have legal possession of the **vehicle** that was leased to that person.
14. **“Owner”** means any person who, with respect to a **vehicle**, holds legal title to the **vehicle**, has legal possession of the **vehicle** that is subject to a conditional sale agreement or mortgage, or has legal possession of the **vehicle** that is leased to that person.
15. **“Premium payment”** means the actual receipt of cash funds by **us**.
16. **“Property damage”** means physical damage to tangible property, including destruction or loss of its use, which is caused solely by an **accident** covered under this policy and occurring while the policy is in force.
17. **“Racing”** means participating in any race, speed, demolition, stunt, or timed contest or activity. **Racing** includes preparation for the contest or activity.
18. **“Regular operator”** is any person not listed on the **Declarations Page** who has or had care, custody or control of the **insured auto** for more than twenty-four (24) hours any time during the policy term. The **Declarations Page** shall show such policy term. The twenty-four (24) hours may be consecutive or cumulative.
19. **“Relative”** means any person related to **you** by blood, marriage, or adoption, including a ward or a foster child, who lives in **your** household, even if temporarily living elsewhere. **Relative** includes a minor under **your** guardianship who lives in **your** household. Any **relative** must be listed on the **application** or endorsed on the policy before a loss.
20. **“Resident”** means a person living in **your** household, other than **you** or a **relative**. Any **resident** must be listed on the **application** or endorsed on the policy before a loss.
21. **“Serious injury”** means an injury resulting in death, serious impairment of a bodily function, or serious and permanent disfigurement.
22. **“State”** means the District of Columbia and any **state** of the United States of America.
23. **“The insured auto”** means only the **auto owned** by **you** as described and listed on the **Declarations Page**.

An **auto** that is leased by **you** shall be considered **owned** by **you**. The lease shall be a written agreement for a continuous period of at least six (6) months.

24. **“Trailer”** means a device or **vehicle**, which is not self-propelled and is towed by an **auto**, including a farm wagon or farm implement, and while being towed by an **auto**. A mobile home, travel **trailer**, or any **vehicle** that can be lived in or is self-propelled, is not a **trailer**.
25. **“Vehicle”** means a surface transportation device used for conveying goods, passengers, or equipment.
26. **“We,” “us,” and “our”** mean the company shown on the **Declarations Page**.
27. **“You” and “your”** means the person named and identified on the **Declarations Page** as the operator insured.

PART A – LIABILITY COVERAGE

INSURING AGREEMENT

If the **Declarations Page** shows a premium charged for this coverage, **we** will pay damages, up to the policy limits stated on the **Declarations Page** for **bodily injury** and **property damage** for which an **insured person** is legally liable because of an **accident** originating from the operation of the **insured auto**. **We** will not cover punitive or exemplary damages.

We will settle or defend, as **we** consider appropriate, any claim or action that the policy covers. **Our** duty to settle or defend ends when **our** limit of liability for this coverage has been exhausted by payment of judgment or settlement. **We** have no duty to settle or defend any claim or action that the policy does not cover.

ADDITIONAL DEFINITION USED IN PART A ONLY

As used in this part, **“insured person”** means, with respect to the **insured auto**:

1. **You**, a **relative**, or a **resident**.
2. A person using the **insured auto** with **your** express or implied permission and within the scope of **your** permission.

Such person must hold a valid driver’s license at the time of loss and must not be a **regular operator** of the **insured auto**.

ADDITIONAL BENEFITS – PART A ONLY

When **we** defend an **insured person** under this Part, **we** will provide the following benefits:

1. **We** will pay costs **we** incur to investigate the **accident**.
2. **We** will pay costs **we** incur to arrange for the settlement of any claim or action.
3. As **we** deem appropriate, **we** will defend the **insured person**, hire and pay a lawyer, and pay all defense

- costs. **We** have no duty to defend any claim or action that is not covered under this policy.
4. As **we** deem appropriate, **we** will pay costs **we** incur to investigate and settle any claim or action.
 5. **We** will pay the interest that accrues against an **insured person** and before **we** have offered to pay or deposited into court sums that are not more than **our** limit of liability, on damages awarded in a suit **we** defend.
 6. **We** will reimburse any other reasonable costs an **insured person** incurs at **our** request.

To receive a supplementary payment under this section, **you** must submit a claim and provide proof of entitlement thereto.

EXCLUSIONS – PART A ONLY

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

We do not cover:

1. **Bodily injury** or **property damage** that results from nuclear reactions, radiation, or fallout.
2. **Bodily injury** or **property damage** covered by a nuclear energy liability policy, even if the limits of that policy are exhausted
3. **Bodily injury** or **property damage** that is caused intentionally by or at the direction of an **insured person**. Coverage under this Part shall not apply if the insured either intended the **accident** or its consequences or could have expected them from his or her viewpoint.
4. **Bodily injury** or **property damage** that results from the maintenance or use of an **auto** without the **owner's** express or implied permission.
5. **Bodily injury** or **property damages** that result from the maintenance or use of an **auto** outside the scope of the **owner's** express or implied permission.
6. Liability for any **bodily injury** or **property damage** that is assumed by or imposed on an **insured person** under any agreement, contract, or bailment.
7. **Bodily injury** to an **insured person's** employee that arises during employment.
8. **Bodily injury** to an **insured person's** co-worker occurring during employment if such injury arises out of the **insured person's** use of a **vehicle** in any **business**.
9. **Bodily injury** occurring during the course of employment if benefits are payable or available under a workers' compensation law or similar law.
10. **Bodily injury** or **property damage** that results from the ownership, maintenance, or use of a **vehicle** while used to transport persons or property for a fee or compensation. This exclusion does not apply to shared-expense car pools.
11. **Property damage** to property **owned** or being transported by an **insured person**.
12. **Bodily injury** or **property damage** arising out of the operation of equipment or machinery not listed on the **Declarations Page**.
13. Damage to property an **insured person** rents, uses, or has charge of, except a home or private garage, including loss of its use.
14. **Bodily injury** or **property damage** resulting from the ownership, maintenance, or use of any **vehicle** other than **the insured auto**, which is **owned** by, furnished, or available for the regular use of **you**, a **relative**, or a **resident**.
15. **Bodily injury** or **property damage** resulting from the ownership, maintenance, or use of **the insured auto** by any person who resides in your household or who is a **regular operator** of **the insured auto**, but is not listed on the **Declarations Page** prior to the loss.
16. **Bodily injury** or **property damage** arising out of an **insured person's** ownership, maintenance, or use of any **vehicle** other than one with four (4) wheels.
17. **Bodily injury** or **property damage** arising out of an **insured person's** ownership, maintenance, or use of any **vehicle** designed mainly for use off public roads.
18. **Bodily injury** or **property damage** resulting from the ownership, maintenance, or use of a **vehicle** in any **racing** event.
19. **Bodily injury** or **property damage** that is incurred while **the insured auto** is leased or rented to others.
20. **Bodily injury** or **property damage** resulting from the use of a **vehicle** for snow removal.
21. **Bodily injury** or **property damage** caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, or riot.
22. **Bodily injury** or **property damage** sustained by an **insured person** while **occupying** any **vehicle** located for use or used as a residence or premises.
23. **Bodily injury** or **property damage** resulting from the ownership, maintenance, or use of a **vehicle** or a **trailer** by a person while in the course and scope of employment or engaged in any **business**. This exclusion includes use of a **vehicle** for delivery of goods or services arising out of any **business**. The exclusion does not apply if **you** have declared "business use" of **the insured auto** and **you** have paid an additional premium.
24. **Bodily injury** or **property damage** resulting from an **auto business**. However, this exclusion does not apply to **you**. This is provided that the **bodily injury** or **property damage** arises out of **auto business** operations conducted by someone other than **you**, a **relative**, or **resident**.
25. **Bodily injury** or **property damage** that is incurred while **the insured auto** is towing a **trailer**.
26. **Bodily injury** or **property damage** resulting from the use of **the insured auto** by a person or persons specifically excluded by endorsement.
27. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading, or unloading of any haul-away, tank truck, or tank **trailer** when used with a **vehicle** that is not listed on the **Declarations Page**, which is **owned**, hired, or held for sale by the **insured person**.

28. Benefits for **bodily injury** or **property damage** that are payable under the “No Fault Laws” of the following **states**: Arkansas; Delaware; Washington, D.C.; Florida; Hawaii; Kansas; Kentucky; Maryland; Massachusetts; Michigan; Minnesota; New York; North Dakota; Oregon; Texas; Utah; and Washington.
29. **Bodily injury** or **property damage** caused by a **vehicle** driven by a person:
 - a. Under the minimum age to obtain a license to operate a **vehicle** in the **state** in which the **vehicle** is licensed,
 - b. Under fifteen (15) years of age,
 - c. Who has had their driving privileges rescinded by license revocation, or
 - d. Who does not possess a valid driver’s license.
30. **Bodily injury** to the **owner** of a **non-owned auto** when being used by or driven by an **insured person**.
31. **Bodily injury** or **property damage** resulting from the ownership, maintenance, or use of a **vehicle** with a load capacity more than one thousand five hundred (1,500) pounds.

LIMITS OF LIABILITY – PART A ONLY

As to any **insured person**, the limits of liability shown on the **Declarations Page** shall apply. **We** will pay these limits of liability as follows:

1. The **bodily injury** limit for “each person” is the maximum **we** will pay for all damages, including damages for derivative claims, resulting from **bodily injury** sustained by one (1) person in one (1) **accident**. Derivative claims include all damages for care, loss of services, loss of society and loss of consortium to others. Damages for derivative claims will be payable only under the same “each person” limit of liability as the **bodily injury** from which they derive.
2. The **bodily injury** limit for “each accident” is the maximum **we** will pay for all damages, including damages for derivative claims, resulting from **bodily injury** sustained by more than one (1) person in one (1) **accident**. Derivative claims include all damages for care, loss of services, loss of society and loss of consortium to others. Damages for derivative claims will be payable only under the same “each accident” limit of liability as the **bodily injury from** which they derive.
3. The **property damage** limit for “each accident” is the most **we** will pay for all damages to property, including loss of its use, in one (1) **accident**.

We will not pay **bodily injury** or **property damage** in any amount exceeding the **minimum statutory limits** of the **state** where the **accident** occurs arising out of the use of **the insured auto** while the **insured person** is in the commission of a **crime**.

Regardless of the limits of liability shown on the **Declarations Page** or elsewhere in this policy, the limits

for **bodily injury** liability and **property damage** liability afforded by this policy to an **insured person** other than:

1. **You**; or
2. A **relative** or a **resident** of your household,

shall not exceed those amounts necessary to satisfy the **minimum statutory limits** of the financial responsibility law of the **state** in which the **bodily injury** or **property damage** policy was written.

This is the maximum **we** will pay, despite the number of premiums or **autos** listed on the **Declarations Page**, **insured persons**, claims, claimants, policies, or **vehicles** involved in the **accident**. Any amount paid or payable under this coverage to or for an **insured person** will be reduced by any payment made to that person under Part C – Uninsured Motorist Coverage or Part D – Underinsured Motorist Coverage of this policy.

FEDERAL TORT CLAIMS ACT EXCLUSION

The following are not **insured person(s)** under Part A of the policy:

1. The United States of America or any federal agency.
2. Any person for **bodily injury** or **property damage** resulting from a person acting in the scope of employment for the United States of America or any federal agency when the provisions of the Federal Tort Claims Act apply.

As used herein, “federal agency” means federal agency as defined in the Federal Tort Claims Act.

CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS

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

OUT OF STATE INSURANCE

We will increase the policy limits to the required minimum limits of any **state** that requires a minimum Financial Responsibility limit for nonresidents. This shall occur if an **insured person** is operating an **auto** in that **state**. **We** will not provide any coverage under the no-fault law or any other similar law of any other **state**. No person is entitled to duplicate payments for the same element of loss.

OTHER INSURANCE – PART A ONLY

We will pay **our** proportionate share of damages and reasonable and necessary attorney fees and costs as **our** limit of liability bears to the total of all applicable liability limits. This is if a primary duty to defend

exists under this policy and other applicable liability insurance exists.

However, with respect to a person other than **you**, a **relative** or a **resident**, using **the insured auto** with **your** express or implied permission and within the scope of that permission, this coverage shall be excess over any other valid and collectible insurance available to the user of **the insured auto**. Coverage shall be excess insurance regardless of any provision of any policy available to the user which makes the other available insurance excess to any **vehicle** the user does not own.

If **you**, a **relative**, or a **resident** has other insurance against an **accident** covered by this Part, the following applies:

We will not pay a greater proportion of the damages than the applicable limit of liability stated on the **Declarations Page**, bear to the total applicable limits of liability of all valid and collectible insurance against any such **accident**.

PART B - FIRST PARTY BENEFITS COVERAGE

INSURING AGREEMENT

We will pay the following First Party Benefits, if shown on the **Declarations Page** and a premium has been paid, to or for an **insured person** who sustains **bodily injury** caused by an **accident** arising out of the maintenance or use of a motor **vehicle**:

1. Medical Benefit;
2. Income Loss Benefit;
3. Funeral Benefit; and
4. Accidental Death Benefit.

ADDITIONAL DEFINITIONS USED IN PART B ONLY

1. **"Insured person"** as used in this Part means:
 - a. **You**, a **relative**, or any **resident**; or
 - b. Any other person:
 - i. While **occupying the insured auto**; or
 - ii. While not **occupying** a motor **vehicle** if injured as a result of an **accident** in Pennsylvania involving **the insured auto**. If **the insured auto** is parked and unoccupied it is not a motor **vehicle** involved in an **accident** unless it was parked in a manner as to create an unreasonable risk of injury.
2. **"The insured auto"** means a motor **vehicle**:
 - a. To which Liability Coverage under this policy applies and for which a specific premium is charged; and
 - b. For which **you** maintain First Party Benefits Coverage as required under the Pennsylvania Motor Vehicle Financial Responsibility Law.

BASIC FIRST PARTY BENEFIT

The Basic First Party Benefit consists of a Medical Benefit. The Medical Benefit consists of coverage to provide for reasonable and necessary medical treatment and rehabilitative services, including, but not limited to, hospital, dental, surgical, psychiatric, psychological, osteopathic, ambulance, chiropractic, licensed physical therapy, nursing services, vocational rehabilitation and occupational therapy, speech pathology and audiology, optometric services, medication, medical supplies and prosthetic devices, all without limitation as to time, provided that within eighteen (18) months from the date of the **accident** causing injury, it is ascertainable with reasonable medical probability that further expenses may be incurred as a result of the injury and notice of the additional expenses is provided to **us**. Benefits under this paragraph may include any non-medical remedial care and treatment rendered in accordance with a recognized religious method of healing.

ADDED FIRST PARTY BENEFITS

The Added First Party Benefit consists of the following:

1. Income Loss Benefit – Includes the following:
 - a. Eighty percent (80%) of actual loss of gross income.
 - b. Reasonable expenses actually incurred for hiring a substitute to perform self-employment services thereby mitigating loss of gross income or for hiring special help thereby enabling a person to work and mitigate the loss of gross income.

Income Loss does not include loss of expected income for any period following the death of an individual or expenses incurred for services performed following the death of an individual. Income Loss shall not commence until five (5) working days have been lost after the date of the **accident**.

2. Funeral Benefit – Expenses directly related to the funeral, burial, cremation, or other form of disposition of the remains of a deceased individual, incurred as a result of the death of the individual as a result of the **accident** and within twenty-four (24) months from the date of the **accident**.
3. Accidental Death Benefit – A death benefit paid should **bodily injury** resulting from a motor **vehicle accident** cause death within twenty-four (24) months from the date of the **accident**. The Accidental Death Benefit under this policy will be paid to the executor or administrator of the deceased **insured person's** estate. If there is no executor or administrator, benefits shall be paid to:
 - a. The deceased **insured person's** surviving spouse; or
 - b. If there is no surviving spouse, the deceased **insured person's** surviving children; or
 - c. If there is no surviving spouse or surviving children, to the deceased **insured person's** estate.

COMBINATION FIRST PARTY BENEFITS

If the **Declarations Page** indicates that Combination First Party Benefits apply, **we** will pay, in accordance with the Pennsylvania Motor Vehicle Financial Responsibility Law, Combination First Party Benefits instead of the Basic First Party Benefit to or for an **insured person** who sustains **bodily injury** caused by an **accident** arising out of the maintenance or use of a motor **vehicle**. Combination First Party Benefits shall be subject to a maximum total single limit of liability with individual limits for Accidental Death Benefit up to twenty-five thousand dollars (\$25,000) and Funeral Benefit of two thousand five hundred dollars (\$2,500). **We** will only pay Combination First Party Benefits for expenses or loss incurred within three (3) years from the date of the **accident**.

EXTRAORDINARY MEDICAL BENEFITS

If Extraordinary Medical Benefits is shown on the **Declarations Page** and **you** have paid a premium for this coverage, **we** will pay the Medical Benefit, subject to the limit of liability shown on the **Declarations Page**, incurred by an **insured person** who sustains **bodily injury** in excess of one hundred thousand dollars (\$100,000) which is caused by an **accident** arising out of the maintenance or use of a motor **vehicle**.

Regardless of whether **you** have purchased the Basic, Added or Combination First Party Benefit under this policy, **we** will pay Extraordinary Medical Benefits Coverage only after one hundred thousand dollars (\$100,000) has been incurred by any one (1) **insured person** for medical expenses resulting from any one (1) **accident**.

EXCLUSIONS – PART B ONLY

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

We do not provide First Party Benefits for **bodily injury** sustained by any person:

1. While intentionally causing or attempting to cause **bodily injury**.
2. While committing a felony.
3. While seeking to elude lawful apprehension or arrest by a law enforcement official.
4. While maintaining or using a motor **vehicle** knowingly converted by that person. However, this exclusion does not apply to **you** while using the **insured auto**.
5. Who, at the time of the **accident**:
 - a. Is the **owner** of one (1) or more registered motor **vehicles** and any of those motor **vehicles** do not have in effect the financial responsibility required

by the Pennsylvania Motor Vehicle Financial Responsibility Law; or

- b. Is **occupying** a motor **vehicle owned** by that person for which the financial responsibility required by the Pennsylvania Motor Vehicle Financial Responsibility Law is not in effect.
6. Who is maintaining or using a motor **vehicle** while located for use as a residence or premises.
7. Who is injured as a result of conduct within the course of an **auto business**.
8. Who is injured as a pedestrian if the **accident** occurs outside of Pennsylvania.
9. When caused by or as a consequence of:
 - a. Discharge of a nuclear weapon;
 - b. War (declared or undeclared);
 - c. Insurrection; or
 - d. Rebellion or revolution.
10. When caused by a nuclear reaction, radiation, or radioactive contamination.
11. For any loss resulting from the ownership, maintenance, or use of a **vehicle** when used by an **insured person** to carry persons or property for consideration or fee, including but not limited to retail or wholesale delivery of magazines, newspapers, food, or any other product. This exclusion does not apply to shared-expense car pools.
12. While **occupying** any **vehicle** located inside a facility designed for **racing**, for the purpose of competing in or practicing or preparing for any prearranged or organized **racing**, speed, demolition, or stunting activity.

LIMITS OF LIABILITY – PART B ONLY

The limits shown on the **Declarations Page** for the First Party Benefits that apply are the most **we** will pay to or for each **insured person** as the result of any one (1) **accident**. This is the most **we** will pay regardless of the number of claims made, **vehicles** or premiums shown on the **Declarations Page**, **vehicles** involved in the **accident**, lawsuits brought, or insurers providing First Party Benefits.

The limit of liability shown on the **Declarations Page** for Extraordinary Medical Benefits is the most **we** will pay for Medical Benefits to or for each **insured person** as the result of any one (1) **accident**, subject to an annual limit of fifty thousand dollars (\$50,000) for each **insured person**. However, the annual limit of fifty thousand dollars (\$50,000) for each **insured person** does not apply to medical expense incurred within eighteen (18) months from the date the **insured person** incurs one hundred thousand dollars (\$100,000) of medical expense as a result of the **accident**. This is the most **we** will pay regardless of the number of claims made, **vehicles** or premiums shown on the **Declarations Page**, **vehicles** involved in the **accident**, or insurers providing First Party Benefits.

Any amounts payable under Extraordinary Medical Benefits shall apply over and above any amounts available to an **insured person** for medical expense under Basic, Added, or Combination First Party Benefits provided in accordance with the Pennsylvania Motor Vehicle Responsibility Law.

If an **insured person** who is eligible for Extraordinary Medical Benefits is also eligible for benefits under the Catastrophic Loss Trust Fund, the total recovery under Extraordinary Medical Benefits and Catastrophic Loss Trust Fund combined shall not exceed one million dollars (\$1,000,000). However, the total amount payable under Extraordinary Medical Benefits shall not exceed the amount shown on the **Declarations Page**.

PRIORITIES OF POLICIES

We will pay First Party Benefits in accordance with the order or priorities set forth by the Pennsylvania Motor Vehicle Financial Responsibility Law. We will not pay if there is another insurer at a higher level of priority. The First category listed below is the highest level of priority and the Fourth category listed below is the lowest level of priority. The priority order is:

- First:** The insurer providing benefits to the **insured person** as a named insured.
- Second:** The insurer providing benefits to the **insured person** as a **relative** or a **resident** who is not a named insured under another policy providing coverage under the Pennsylvania Motor Vehicle Financial Responsibility Law.
- Third:** The insurer of the motor **vehicle** which the **insured person** is **occupying** at the time of the **accident**.
- Fourth:** The insurer providing benefits on any motor **vehicle** involved in the **accident** if the **insured person** is:
1. Not **occupying** a motor **vehicle**, and
 2. Not provided First Party Benefits under any other automobile policy.

In this priority, an unoccupied parked motor **vehicle** is not a motor **vehicle** involved in an **accident** unless it was parked in a manner as to create an unreasonable risk of injury.

If two (2) or more policies have equal priority within the highest applicable priority level:

1. The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim. If contribution is sought among insurers responsible under the Fourth priority, proration shall be based on the number of involved motor **vehicles**.
2. If **we** are the insurer against whom the claim is first made, **our** payment to or for an **insured person** will

not exceed the applicable limit of liability for First Party Benefits shown on the **Declarations Page**.

3. The maximum recovery under all policies will not exceed the amount payable under the policy with highest dollar limits of benefits.

NON-DUPLICATION OF BENEFITS

No one will be entitled to recover duplicate payments for the same elements of loss under this or any other similar automobile insurance including self-insurance.

Any amount payable under Extraordinary Medical Benefits shall be excess over any amount paid, payable, or required to be provided under any workers' compensation law or similar law.

GENERAL PROVISIONS

Part F is amended as follows:

The **OUR RECOVERY RIGHTS** provision does not apply to First Party Benefits.

PART C – UNINSURED MOTORIST COVERAGE

INSURING AGREEMENT

Subject to the limits of liability, if **you** pay a premium for Uninsured Motorist Coverage, **we** will pay damages, other than punitive or exemplary damages, which an **insured person** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of **bodily injury**.

1. Sustained by an **insured person**; and
2. Caused by an **accident**.

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

No judgment for damages arising out of a suit brought against the **owner** or operator of an **uninsured motor vehicle** is binding on **us** unless **we**:

1. Received reasonable notice of the filing of the suit resulting in the judgment; and
2. Had a reasonable opportunity to protect **our** interest in the suit.

ADDITIONAL DEFINITIONS USED IN PART C ONLY

1. "**Insured person**" as used in this Part means:
 - a. **You**, a **relative**, or any **resident**;
 - b. Any other person **occupying the insured auto** with the permission of the **owner**; or
 - c. Any person for damages that person is entitled to recover because of **bodily injury** to which this coverage applies sustained by a person described in a. or b. above.

2. **“Uninsured motor vehicle”** means a land motor vehicle or trailer of any type:
- To which no **bodily injury** liability bond or policy applies at the time of the **accident**.
 - Which is a hit-and-run whose operator or **owner** cannot be identified and which hits, or causes an **accident** resulting in **bodily injury** without hitting:
 - You**, a **relative**, or any **resident**;
 - A **vehicle** which **you**, a **relative** or any **resident** are **occupying**; or
 - The **insured auto**.

If there is no contact with the hit-and-run **vehicle**, the facts of the **accident** must be proved.

- Which is an unidentified motor **vehicle** that causes an **accident** resulting in injury provided the **accident** is reported to the police or proper governmental authority within forty-eight (48) hours, or as soon thereafter as is practical; and **you** or **your** legal representative notify **us** within thirty (30) days, or as soon as practical thereafter, that **you** have a legal action arising out of the **accident**.
- To which a **bodily injury** liability bond or policy applies at the time of the **accident** but the bonding or insuring company:
 - Denies coverage; or
 - Is or becomes:
 - Insolvent, within six years from the date of the **accident**; or
 - Involved in insolvency proceedings.

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

- Owned** by, leased or furnished for the regular use of **you** or any **insured person**.
- Owned** or operated by a self-insurer under any applicable motor **vehicle** law.
- Operated on rails or crawler treads.
- Designed mainly for use off public roads while not on public roads.
- While located for use as a residence or premises.
- Which qualifies as **the insured auto** under this policy.

EXCLUSIONS - PART C ONLY

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

We do not provide Uninsured Motorist Coverage:

- For **bodily injury** sustained by any person:
 - If that person or their legal representative settles the **bodily injury** claim without **our** consent.
 - For any loss resulting from the ownership, maintenance, or use of a **vehicle** when used by an **insured person** to carry persons or property for

- Using a **vehicle** without permission of the **owner** to use the **vehicle**, or using the **vehicle** outside of the scope of permission of the **owner**.
 - Occupying the insured auto** while it is being operated by someone without the permission of the **owner**, or is using **the insured auto** outside of the scope of permission of the **owner**.
- For **non-economic loss** sustained by any person to whom the Limited Tort Alternative applies, resulting from **bodily injury** caused by an **accident** involving an **uninsured motor vehicle**, unless the **bodily injury** sustained is a **serious injury**. This exclusion does not apply:
 - If the **owner** or operator of the **uninsured motor vehicle**:
 - Is convicted, or accepts Accelerated Rehabilitative Disposition, for driving under the influence of alcohol or a controlled substance in that **accident**;
 - Is operating a motor **vehicle** registered in another **state**; or
 - Intends to injure himself/herself or another person, provided that the individual does not intentionally injure himself/herself or another person merely because his or her act or failure to act is intentional or done with his or her realization that it creates a grave risk of injury if the act or omission causing the injury is for the purpose of averting bodily harm to himself/herself or another person.
 - If that person is injured while **occupying** a motor **vehicle** insured under a commercial motor **vehicle** insurance policy.
 - For damage caused intentionally by or at the direction of an **insured person**.
 - For **bodily injury** sustained by a driver of **the insured auto** who is not listed as a driver on the **Declarations Page** of this policy if **the insured auto** was made available for the regular and frequent use of that driver.
 - For **bodily injury** or **property damage** resulting from the ownership, maintenance, or use of:
 - Any **vehicle** with more or fewer than four (4) wheels;
 - Any **vehicle** designed mainly for use off public roads, except in a medical emergency;
 - Any **vehicle**, other than **the insured auto**, which is **owned** by **you** or available for **your** regular use; or
 - Any **vehicle**, other than **the insured auto**, which is **owned** by a **relative**, a **resident**, or regularly used by a **relative** or a **resident** or members of their immediate families.
 - For **property damage** sustained by any person while **occupying** or when struck by any motor **vehicle**

owned by you, a relative or any resident which is not insured for this coverage under this policy.

7. For **property damage** to a **trailer** of any type, any motor **vehicle owned** by you to which Collision Coverage applies under this policy, or any other **vehicle** to the extent that there is valid and collectible Collision Coverage applicable to that damage under any other policy.
8. For punitive or exemplary damages awarded as a punishment or deterrent.
9. For any loss sustained while a **vehicle** is used to transport nursery or school children, migrant workers, or hotel/motel guests. This exclusion does not apply to **your** children or children engaged in a car pool arrangement with you.
10. While **the insured auto** is used in, or in preparation for, any race, speed, or performance contest, or while **the insured auto** is located inside a facility designed for such events.
11. To benefit any insurer or self-insurer under any of the following or similar law:
 - a. Workers' compensation law; or
 - b. Disability benefits law.

LIMITS OF LIABILITY – PART C ONLY

As a part of our claims handling procedures, we may use software that is designed to evaluate **bodily injury** under Part C – Uninsured Motorist Coverage

STACKED UNINSURED MOTORIST COVERAGE LIMITS

If Stacked Uninsured Motorist Coverage limits and premium are shown on the **Declarations Page**, the following provisions apply:

1. Except as provided in paragraph 2., the limit of liability shown on the **Declarations Page** for Uninsured Motorist Coverage is our maximum limit of liability for all damages resulting from any one (1) **accident**. This is the most we will pay regardless of the number of:
 - a. **Insured persons**;
 - b. Claims made;
 - c. **Vehicles** or premiums shown on the **Declarations Page**; or
 - d. **Vehicles** involved in the **accident**.
2. If **bodily injury** is sustained in an **accident** by you, a **relative**, or any **resident**, our maximum limit of liability for all damages in any such **accident** is the sum of the limits of liability for Uninsured Motorist Coverage shown on the **Declarations Page** applicable to "each vehicle" on the policy. Subject to this maximum limit of liability for all damages, the most we will pay for **bodily injury** sustained by an **insured person** other than you, a **relative** or any **resident** is the limit of liability shown on the **Declarations Page** applicable to the **vehicle** the **insured person** was **occupying** at the time of the

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

- a. **Insured persons**;
 - b. Claims made;
 - c. **Vehicles** or premiums shown on the **Declarations Page**; or
 - d. **Vehicles** involved in the **accident**.
3. Any amounts otherwise payable for damages under this coverage shall be reduced by all sums paid because of the **bodily injury** by or on behalf of persons or organizations that may be legally responsible. This includes all sums paid under Part A and Part D of this policy.
 4. Any payment under this coverage shall be reduced by any amount that person is entitled to recover under Part A or Part D of this policy.
 5. No one will be entitled to receive duplicate payments for the same elements of loss.
 6. If an **insured person** and an uninsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part A and Part C of this policy.
 7. If an uninsured motorist and an underinsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part C and Part D of this policy.

UNSTACKED UNINSURED MOTORIST COVERAGE LIMITS

If Unstacked Uninsured Motorist Coverage limits and premium are shown on the **Declarations Page**, the following provisions apply:

1. The limit of liability shown on the **Declarations Page** for Uninsured Motorist Coverage is our maximum limit of liability for all damages resulting from any one (1) **accident**. This is the most we will pay regardless of the number of:
 - a. **Insured persons**;
 - b. Claims made;
 - c. **Vehicles** or premiums shown on the **Declarations Page**; or
 - d. **Vehicles** involved in the **accident**.
2. Any amounts otherwise payable for damages under this coverage shall be reduced by all sums paid because of the **bodily injury** by or on behalf of persons or organizations that may be legally responsible. This includes all sums paid under Part A and Part D of this policy.
3. Any payment under this coverage shall be reduced by any amount that person is entitled to recover under Part A and Part D of this policy.
4. No one will be entitled to receive duplicate payments for the same elements of loss.
5. If an **insured person** and an uninsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part A and Part C of this policy.
6. If an uninsured motorist and an underinsured motorist are jointly liable for damages, no person

shall be entitled to recover damages under both Part C and Part D of this policy.

SPLIT STACKED UNINSURED MOTORIST COVERAGE LIMITS

If Split Stacked Uninsured Motorist Coverage limits and premium are shown on the **Declarations Page**, the following provisions apply:

1. If **bodily injury** is sustained in an **accident** by **you**, a **relative**, or any **resident**:
 - a. **Our** maximum limit of liability for all damages including damages for care, loss of services, or death, arising out of **bodily injury** sustained by any one (1) person in any such **accident** is the sum of the limits shown on the **Declarations Page** for “each person” for Uninsured Motorist Coverage applicable to each **vehicle** on the policy.
 - b. Subject to the maximum limit for “each person” described in 1.a. above, **our** maximum limit of liability for all damages arising out of **bodily injury** resulting from any one (1) **accident** is the sum of the limits of liability shown on the **Declarations Page** for “each accident” for Uninsured Motorist Coverage applicable to each **vehicle** on the policy.
 - c. Subject to the maximum limits of liability set forth in 1.a. and 1.b. above, the most **we** will pay for **bodily injury** sustained in such **accident** by an **insured person** other than **you**, a **relative**, or any **resident** is the “each person” or “each accident” limit of liability shown on the **Declarations Page** applicable to the **vehicle** that the **insured person** was **occupying** at the time of the **accident**.

The maximum limit of liability is the most **we** will pay regardless of the number of:

- i. **Insured persons**;
 - ii. Claims made;
 - iii. **Vehicles** or premiums shown on the **Declarations Page**; or
 - iv. **Vehicles** involved in the **accident**.
2. If **bodily injury** is sustained by any **insured person** other than **you**, a **relative**, or any **resident** in an **accident** in which neither **you** nor a **relative** nor any **resident** sustains **bodily injury**, the limit of liability shown on the **Declarations Page** for “each person” for Uninsured Motorist Coverage is **our** maximum limit of liability for all damages, including damages for care, loss of services, or death, arising out of **bodily injury** sustained by any one (1) person in any one (1) **accident**. Subject to this limit for “each person,” the limit of liability shown on the **Declarations Page** for “each accident” for Uninsured Motorist Coverage is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one (1) **accident**.

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

- a. **Insured persons**;

- b. Claims made;
 - c. **Vehicles** or premiums shown on the **Declarations Page**; or
 - d. **Vehicles** involved in the **accident**.
3. Any amounts otherwise payable for damages under this coverage shall be reduced by all sums paid because of the **bodily injury** by or on behalf of persons or organizations that may be legally responsible. This includes all sums paid under Part A and Part D of this policy.
 4. Any payment under this coverage shall be reduced by any amount that person is entitled to recover under Part A or Part D of this policy.
 5. No one will be entitled to receive duplicate payments for the same elements of loss.
 6. If an **insured person** and an uninsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part A and Part C of this policy.
 7. If an uninsured motorist and an underinsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part C and Part D of this policy.

SPLIT UNSTACKED UNINSURED MOTORIST COVERAGE LIMITS

If Split Unstacked Uninsured Motorist Coverage limits and premium are shown on the **Declarations Page**, the following provisions apply:

1. The limit of liability shown on the **Declarations Page** for “each person” for Uninsured Motorist Coverage is **our** maximum limit of liability for all damages, including damages for care, loss of services, or death, arising out of **bodily injury** sustained by any one (1) person in any one (1) **accident**. Subject to this limit for “each person,” the limit of liability shown on the **Declarations Page** for “each accident” for Uninsured Motorist Coverage is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one (1) **accident**. This is the most **we** will pay regardless of the number of:
 - a. **Insured persons**;
 - b. Claims made;
 - c. **Vehicles** or premiums shown on the **Declarations Page**; or
 - d. **Vehicles** involved in the **accident**.
2. Any amounts otherwise payable for damages under this coverage shall be reduced by all sums paid because of the **bodily injury** by or on behalf of persons or organizations that may be legally responsible. This includes all sums paid under Part A and Part D of this policy.
3. Any payment under this coverage shall be reduced by any amount that person is entitled to recover under Part A or Part D of this policy.
4. No one will be entitled to receive duplicate payments for the same elements of loss.
5. If an **insured person** and an uninsured motorist are jointly liable for damages, no person shall be entitled

to recover damages under both Part A and Part C of this policy.

6. If an uninsured motorist and an underinsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part C and Part D of this policy.

OTHER INSURANCE – PART C ONLY

STACKED UNINSURED MOTORIST COVERAGE

If Stacked Uninsured Motorist Coverage and premium are shown on the **Declarations Page**, the following provisions apply:

If there is other applicable similar insurance available under more than one (1) policy or provision of coverage, the following priorities of recovery apply.

First: The Uninsured Motorist Coverage applicable to the **vehicle** the **insured person** was **occupying** at the time of the **accident**.

Second: The policy affording Uninsured Motorist Coverage to the **insured person** as a named insured, a **relative**, or a **resident**.

If two (2) or more policies have equal priority, the insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim.

UNSTACKED UNINSURED MOTORIST COVERAGE

If Unstacked Uninsured Motorist Coverage and premium are shown on the **Declarations Page**, the following provisions apply:

If there is other applicable similar insurance available under more than one (1) policy or provision of coverage, the following priorities of recovery apply:

First: The Uninsured Motorist Coverage applicable to the **vehicle** the **insured person** was **occupying** at the time of the **accident**.

Second: The policy affording Uninsured Motorist Coverage to the **insured person** as a named insured, a **relative**, or a **resident**.

1. When there is applicable insurance available under the First priority:
 - a. The limit of liability applicable to the **vehicle** the **insured person** was **occupying**, under the policy in the First priority, shall first be exhausted; and
 - b. The maximum recovery under all policies in the Second priority shall not exceed the amount by which the highest limit for any one (1) **vehicle** under any one (1) policy in the Second priority exceeds the limit applicable under the policy in the First priority.

2. When there is no applicable insurance available under the First priority, the maximum recovery under all policies in the Second priority shall not exceed the highest applicable limit for any one (1) **vehicle** under any one (1) policy.

If two (2) or more policies have equal priority, the insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim.

SPLIT STACKED UNINSURED MOTORIST COVERAGE

If Split Stacked Uninsured Motorist Coverage and premium are shown on the **Declarations Page**, the following provisions apply:

If there is other applicable similar insurance available under more than one (1) policy or provision of coverage, the following priorities of recovery apply:

First: The Uninsured Motorist Coverage applicable to the **vehicle** the **insured person** was **occupying** at the time of the **accident**.

Second: The policy affording Uninsured Motorist Coverage to the **insured person** as a named insured, a **relative**, or a **resident**.

If two (2) or more policies have equal priority, the insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim.

SPLIT UNSTACKED UNINSURED MOTORIST COVERAGE

If Split Unstacked Uninsured Motorist Coverage and premium are shown on the **Declarations Page**, the following provisions apply:

If there is other applicable similar insurance available under more than one (1) policy or provision of coverage, the following priorities of recovery apply:

First: The Uninsured Motorist Coverage applicable to the **vehicle** the **insured person** was **occupying** at the time of the **accident**.

Second: The policy affording Uninsured Motorist Coverage to the **insured person** as a named insured, a **relative**, or a **resident**.

1. When there is applicable insurance available under the First priority:
 - a. The limit of liability applicable to the **vehicle** the **insured person** was **occupying**, under the policy in the First priority, shall first be exhausted; and

- b. The maximum recovery under all policies in the Second priority shall not exceed the amount by which the highest limit for any one (1) **vehicle** under any one (1) policy in the Second priority exceeds the limit applicable under the policy in the First priority.
2. When there is no applicable insurance available under the First priority, the maximum recovery under all policies in the Second priority shall not exceed the highest applicable limit for any one (1) **vehicle** under any one (1) policy.

If two (2) or more policies have equal priority, the insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim.

GENERAL PROVISIONS

The following is added to the Two or More **Auto** Policies provision in Part F:

1. This provision does not apply to Stacked Uninsured Motorist Coverage.
2. No one will be entitled to receive duplicate payments for the same elements of loss under Uninsured Motorist Coverage.

PART D – UNDERINSURED MOTORIST COVERAGE

INSURING AGREEMENT

We will pay damages, other than punitive or exemplary damages, which the **insured person** is legally entitled to recover from the **owner** or operator of an **underinsured motor vehicle** because of **bodily injury** sustained by an **insured person** and caused by an **accident**.

The **owner's** or operator's liability for these damages must arise out of the ownership, maintenance or use of the **underinsured motor vehicle**. **We** will pay under this coverage only after the limits of liability under all applicable **Bodily Injury** Liability bonds or policies have been exhausted by payment of judgments or settlements.

No judgment for damages arising out of a suit brought against the **owner** or operator of an **underinsured motor vehicle** is binding on **us** unless **we**:

1. Received reasonable notice of the filing of the suit resulting in the judgment; and
2. Had a reasonable opportunity to protect **our** interests in the suit.

ADDITIONAL DEFINITIONS USED IN PART D ONLY

1. "**Insured person**" as used in this Part means:
 - a. **You**, a **relative**, or any **resident**;

- b. Any other person **occupying the insured auto** with the permission of the **owner**; or
- c. Any person for damages that person is entitled to recover because of **bodily injury** to which this coverage applies sustained by a person described in a. or b. above.

2. "**Underinsured motor vehicle**" means a land motor **vehicle** or **trailer** of any type to which a **bodily injury** liability bond or policy applies at the time of the **accident** but the amount paid for **bodily injury** under that bond or policy to an **insured person** is not enough to pay the full amount the **insured person** is legally entitled to recover as damages.

However, **underinsured motor vehicle** does not include any **vehicle** or equipment:

- a. **Owned** by, leased or furnished for the regular use of **you** or any **insured person**.
- 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.
- e. Which qualifies as **the insured auto** under this policy.

EXCLUSIONS – PART D ONLY

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

We do not provide Underinsured Motorist Coverage:

1. For **bodily injury** sustained by any person:
 - a. If that person or their legal representative settles the **bodily injury** claim without **our** consent.
 - b. For any loss resulting from the ownership, maintenance, or use of a **vehicle** when used by an **insured person** to carry persons or property for consideration or fee, including but not limited to retail or wholesale delivery of magazines, newspapers, food, or any other product. This exclusion does not apply to shared-expense car pools.
 - c. Using a **vehicle** without permission of the **owner** to use the **vehicle**, or using the **vehicle** outside of the scope of permission of the **owner**.
 - d. **Occupying the insured auto** while it is being operated by someone without the permission of the **owner**, or using **the insured auto** outside of the scope of permission of the **owner**.
2. For **non-economic loss** sustained by any person to whom the Limited Tort Alternative applies, resulting from **bodily injury** caused by an **accident** involving an **underinsured motor vehicle** unless the **bodily injury** sustained is a **serious injury**. This exclusion does not apply:
 - a. If the **owner** or operator of the **underinsured motor vehicle**:
 - i. Is convicted, or accepts Accelerated Rehabilitative Disposition, for driving under

the influence of alcohol or a controlled substance in that **accident**.

- ii. Is operating a motor **vehicle** registered in another **state**; or
 - iii. Intends to injure himself/herself or another person, provided that the individual does not intentionally injure himself/herself or another person merely because his/her act or failure to act is intentional or done with his/her realization that it creates a grave risk of injury if the act or omission causing the injury is for the purpose of averting bodily harm to himself/herself or another person.
- b. If that person is injured while **occupying** a motor **vehicle** insured under a commercial motor **vehicle** insurance policy.
3. For damage caused intentionally by or at the direction of an **insured person**,
 4. For **bodily injury** sustained by a driver of the **insured auto** who is not listed as a driver on the **Declarations Page** of this policy if the **insured auto** was made available for the regular and frequent use of that driver.
 5. For **bodily injury** or **property damage** resulting from the ownership, maintenance, or use of:
 - a. Any **vehicle** with more or fewer than four (4) wheels;
 - b. Any **vehicle** designed mainly for use off public roads, except in a medical emergency
 - c. Any **vehicle**, other than the **insured auto**, which is **owned** by **you** or available for **your** regular use; or
 - d. Any **vehicle**, other than the **insured auto**, which is **owned** by a **relative** or a **resident**, or regularly used by a **relative** or a **resident** or members of their immediate families.
 6. For **property damage** sustained by any person while **occupying** or when struck by any motor **vehicle** **owned** by **you**, a **relative**, or any **resident** which is not insured for this coverage under this policy.
 7. For **property damage** to a **trailer** of any type, any motor **vehicle** **owned** by **you** to which Collision Coverage applies under this policy, or any other motor **vehicle** to the extent that there is valid and collectible Collision Coverage applicable to that damage under any other policy.
 8. For punitive or exemplary damages awarded as a punishment or deterrent.
 9. For any loss sustained while a **vehicle** is used to transport nursery or school children, migrant workers, or hotel/motel guests. This exclusion does not apply to **your** children or children engaged in a car pool arrangement with **you**.
 10. While the **insured auto** is used in, or in preparation for, any race, speed or performance contest, or while the **insured auto** is located inside a facility designed for such events.
 11. To benefit any insurer or self-insurer under any of the following or similar law:
 - a. Workers' compensation law; or
 - b. Disability benefits law.

LIMITS OF LIABILITY – PART D ONLY

As a part of **our** claims handling procedures, **we** may use software that is designed to evaluate **bodily injury** under Part D – Underinsured Motorist Coverage.

STACKED UNDERINSURED MOTORIST COVERAGE LIMITS

If Stacked Underinsured Motorist Coverage limits and premium are shown on the **Declarations Page**, the following provisions apply:

1. Except as provided in paragraph 2, the limit of liability shown on the **Declarations Page** for Underinsured Motorist Coverage is **our** maximum limit of liability for all damages resulting from any one (1) **accident**. This is the most **we** will pay regardless of the number of:
 - a. **Insured persons**;
 - b. Claims made;
 - c. **Vehicles** or premiums shown on the **Declarations Page**; or
 - d. **Vehicles** involved in the **accident**.
2. If **bodily injury** is sustained in an **accident** by **you**, a **relative**, or any **resident**, **our** maximum limit of liability for all damages in any such **accident** is the sum of the limits of liability for Underinsured Motorist Coverage shown on the **Declarations Page** applicable to "each vehicle" on the policy. Subject to this maximum limit of liability for all damages, the most **we** will pay for **bodily injury** sustained by an **insured person** other than **you**, a **relative** or any **resident** is the limit of liability shown on the **Declarations Page** applicable to the **vehicle** the **insured person** was **occupying** at the time of the **accident**. This is the most **we** will pay regardless of the number of:
 - a. **Insured persons**;
 - b. Claims made;
 - c. **Vehicles** or premiums shown on the **Declarations Page**; or
 - d. **Vehicles** involved in the **accident**.
3. Any amounts otherwise payable for damages under this coverage shall be reduced by all sums paid because of the **bodily injury** by or on behalf of persons or organizations that may be legally responsible. This includes all sums paid under Part A and Part C of this policy.
4. Any payment under this coverage shall be reduced by any amount that person is entitled to recover under Part A or Part C of this policy.
5. No one will be entitled to receive duplicate payments for the same elements of loss.
6. If an **insured person** and an underinsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part A and Part D of this policy.
7. If an uninsured motorist and an underinsured motorist are jointly liable for damages, no person

shall be entitled to recover damages under both Part C and Part D of this policy.

UNSTACKED UNDERINSURED MOTORIST COVERAGE LIMITS

If Unstacked Underinsured Motorist Coverage limits and premium are shown on the **Declarations Page**, the following provisions apply:

1. The limit of liability shown on the **Declarations Page** for Underinsured Motorist Coverage is **our** maximum limit of liability for all damages resulting from any one (1) **accident**. This is the most **we** will pay regardless of the number of:
 - a. **Insured persons**;
 - b. Claims made;
 - c. **Vehicles** or premiums shown on the **Declarations Page**; or
 - d. **Vehicles** involved in the **accident**.
2. Any amounts otherwise payable for damages under this coverage shall be reduced by all sums paid because of the **bodily injury** by or on behalf of persons or organizations that may be legally responsible. This includes all sums paid under Part A and Part C of this policy.
3. Any payment under this coverage shall be reduced by any amount that person is entitled to recover under Part A or Part C of this policy.
4. No one will be entitled to receive duplicate payments for the same elements of loss.
5. If an **insured person** and an underinsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part A and Part D of this policy.
6. If an uninsured motorist and an underinsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part C and Part D of this policy.

SPLIT STACKED UNDERINSURED MOTORIST COVERAGE LIMITS

If Split Stacked Underinsured Motorist Coverage limits and premium are shown on the **Declarations Page**, the following provisions apply:

1. If **bodily injury** is sustained in an **accident** by **you**, a **relative**, or any **resident**:
 - a. **Our** maximum limit of liability for all damages, including damages for care, loss of services, or death arising out of **bodily injury** sustained by any one (1) person in any such **accident** is the sum of the limits of liability shown on the **Declarations Page** for “each person” for Underinsured Motorist Coverage applicable to “each vehicle” on the policy.
 - b. Subject to the maximum limit for each person described in 1.a. above, **our** maximum limit of liability for all damages arising out of **bodily injury** resulting from any one (1) **accident** is the sum of the limits of liability shown on the **Declarations Page** for “each accident” for

Underinsured Motorist Coverage applicable to “each vehicle” on the policy.

- c. Subject to the maximum limits of liability set forth in 1.a. and 1.b. above, the most **we** will pay for **bodily injury** sustained in such **accident** by an **insured person** other than **you**, a **relative**, or any **resident** is the “each person” or “each accident” limit of liability shown on the **Declarations Page** applicable to the **vehicle** that the **insured person** was **occupying** at the time of the **accident**.

The maximum limit of liability is the most **we** will pay regardless of the number of:

- i. **Insured persons**;
 - ii. Claims made;
 - iii. **Vehicles** or premiums shown on the **Declarations Page**; or
 - iv. **Vehicles** involved in the **accident**.
2. If **bodily injury** is sustained by any **insured person** other than **you**, a **relative**, or any **resident** in an **accident** in which neither **you** nor any **relative** nor any **resident** sustains **bodily injury**, the limit of liability shown on the **Declarations Page** for “each person” for Underinsured Motorist Coverage is **our** maximum limit of liability for all damages, including damages for care, loss of services, or death, arising out of **bodily injury** sustained by any one (1) person in any one (1) **accident**. Subject to this limit for “each person” the limit of liability shown on the **Declarations Page** for “each accident” for Underinsured Motorist Coverage is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one (1) **accident**. This is the most **we** will pay regardless of the number of:
 - a. **Insured persons**;
 - b. Claims made;
 - c. **Vehicles** or premiums shown on the **Declarations Page**; or
 - d. **Vehicles** involved in the **accident**.
 3. Any amounts otherwise payable for damages under this coverage shall be reduced by all sums paid because of the **bodily injury** by or on behalf of persons or organizations that may be legally responsible. This includes all sums paid under Part A and Part C of this policy.
 4. Any payment under this coverage shall be reduced by any amount that person is entitled to recover under Part A or Part C of this policy.
 5. No one will be entitled to receive duplicate payments for the same elements of loss.
 6. If an **insured person** and an underinsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part A and Part D of this policy.
 7. If an uninsured motorist and an underinsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part C and Part D of this policy.

SPLIT UNSTACKED UNDERINSURED MOTORIST COVERAGE LIMITS

If Split Unstacked Underinsured Motorist Coverage limits and premium are shown on the **Declarations Page**, the following provisions apply:

1. The limit of liability shown on the **Declarations Page** for “each person” for Underinsured Motorist Coverage is **our** maximum limit of liability for all damages, including damages for care, loss of services, or death, arising out of **bodily injury** sustained by any one (1) person in any one (1) **accident**. Subject to this limit for “each person,” the limit of liability shown on the **Declarations Page** for “each accident” for Underinsured Motorist Coverage is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one (1) **accident**. This is the most **we** will pay regardless of the number of:
 - a. **Insured persons**;
 - b. Claims made;
 - c. **Vehicles** or premiums shown on the **Declarations Page**; or
 - d. **Vehicles** involved in the **accident**.
2. Any amounts otherwise payable for damages under this coverage shall be reduced by all sums paid because of the **bodily injury** by or on behalf of persons or organizations that may be legally responsible. This includes all sums paid under Part A and Part C of this policy.
3. Any payment under this coverage shall be reduced by any amount that person is entitled to recover under Part A or Part C of this policy.
4. No one will be entitled to receive duplicate payments for the same elements of loss.
5. If an **insured person** and an underinsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part A and Part D of this policy.
6. If an uninsured motorist and an underinsured motorist are jointly liable for damages, no person shall be entitled to recover damages under both Part C and Part D of this policy.

OTHER INSURANCE – PART D ONLY

STACKED UNDERINSURED MOTORIST COVERAGE

If Stacked Underinsured Motorist Coverage and premium are shown on the **Declarations Page**, the following provisions apply:

If there is other applicable similar insurance available under more than one (1) policy or provision of coverage, the following priorities of recovery apply:

First: The Underinsured Motorist Coverage applicable to the **vehicle** the **insured person** was **occupying** at the time of the **accident**.

Second: The policy affording Underinsured Motorist Coverage to the **insured person** as a named insured, a **relative** or a **resident**.

If two (2) or more policies have equal priority, the insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim.

UNSTACKED UNDERINSURED MOTORIST COVERAGE

If Unstacked Underinsured Motorist Coverage and premium are shown on the **Declarations Page**, the following provisions apply:

If there is other applicable similar insurance available under more than one (1) policy or provision of coverage, the following priorities of recovery apply:

First: The Underinsured Motorist Coverage applicable to the **vehicle** the **insured person** was **occupying** at the time of the **accident**.

Second: The policy affording Underinsured Motorist Coverage to the **insured person** as a name insured, a **relative**, or a **resident**.

1. When there is applicable insurance available under the First priority:
 - a. The limit of liability applicable to the **vehicle** the **insured person** was **occupying**, under the First priority, shall first be exhausted; and
 - b. The maximum recovery under all policies in the Second priority shall not exceed the amount by which the highest limit for any one (1) **vehicle** under any one (1) policy in the Second priority exceeds the limit applicable under the policy in the First priority.
2. When there is no applicable insurance available under the First priority, the maximum recovery under all policies in the Second priority shall not exceed the highest applicable limit for any one (1) **vehicle** under any one (1) policy.

If two (2) or more policies have equal priority, the insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim.

SPLIT STACKED UNDERINSURED MOTORIST COVERAGE

If Split Stacked Underinsured Motorist Coverage and premium are shown on the **Declarations Page**, the following provisions apply:

If there is other applicable similar insurance available under more than one (1) policy or provision of coverage, the following priorities of recovery apply:

First: The Underinsured Motorist Coverage applicable to the **vehicle** the **insured person** was **occupying** at the time of the **accident**.

Second: The policy affording Underinsured Motorist Coverage to the **insured person** as a named insured, a **relative**, or a **resident**.

If two (2) or more policies have equal priority, the insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim.

SPLIT UNSTACKED UNDERINSURED MOTORIST COVERAGE LIMITS

If Split Unstacked Underinsured Motorist Coverage and premium are shown on the **Declarations Page**, the following provisions apply:

If there is other applicable similar insurance available under more than one (1) policy or provision of coverage, the following priorities of recovery apply:

First: The Underinsured motorist Coverage applicable to the **vehicle** the **insured person** was **occupying** at the time of the **accident**.

Second: The policy affording Underinsured Motorist Coverage to the **insured person** as a name insured, a **relative** or a **resident**.

1. When there is applicable insurance available under the First priority:
 - a. The limit of liability applicable to the **vehicle** the **insured person** was **occupying**, under the First priority, shall first be exhausted; and
 - b. The maximum recovery under all policies in the Second priority shall not exceed the amount by which the highest limit for any one (1) **vehicle** under any one (1) policy in the Second priority exceeds the limit applicable under the policy in the First priority.
2. When there is no applicable insurance available under the First priority, the maximum recovery under all policies in the Second Priority shall not exceed the highest applicable limit for any one (1) **vehicle** under any one (1) policy.

If two (2) or more policies have equal priority, the insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority. The insurer is thereafter entitled to recover contribution pro rata from any other insurer for the benefits paid and the costs of processing the claim.

GENERAL PROVISIONS

The following is added to the Two or More **Auto** Policies provision in Part F:

1. This provision does not apply to Underinsured Motorist Coverage.
2. No one will be entitled to receive duplicate payments for the same elements of loss under Underinsured Motorist Coverage.

PART E – COVERAGE FOR DAMAGE TO THE INSURED AUTO

BASIC PHYSICAL DAMAGE IMPORTANT NOTICE

THIS PORTION OF THE POLICY COVERS PHYSICAL DAMAGE TO OR LOSS OF THE **INSURED AUTO**. This policy contains many Exclusions and Conditions that are not normally in automobile insurance policies. To avoid penalties that may limit coverage or result in a total denial of a claim, **we** suggest that **you** read **your** policy at once.

INSURING AGREEMENT

If the **Declarations Page** shows a premium charged for Comprehensive Coverage, **we** will pay for direct and accidental **comprehensive loss** to **the insured auto**, less any applicable **deductible** for each separate **loss**. This shall include its factory-installed equipment.

If the **Declarations Page** shows a premium charged for Collision Coverage, **we** will pay for direct and accidental **loss** to **the insured auto** caused by **collision**, less any applicable **deductible** for each separate **loss**. This shall include its factory-installed equipment.

The insured auto must be operated by or in the care or custody of an **authorized driver** at the time of the **loss**.

ADDITIONAL DEFINITIONS USED IN PART E ONLY

1. “**Actual cash value**” means market value at the time of the **loss** based upon **vehicle** mileage, age, condition, original optional equipment, and comparable **vehicles** available for sale within a reasonable geographic radius as documented in an electronic database of publications and dealerships, less **depreciation** and/or **betterment**.
2. “**Aftermarket parts**” means replacement **auto** parts not made by the original manufacturer of the motor **vehicle** or by a manufacturer authorized by the original manufacturer to use its name or trademark.
3. “**Authorized driver**” means:
 - a. **You**,
 - b. Any other person listed on the **application** or added by endorsement during the policy term before **loss**, or
 - c. Any other person who has **your** express permission to use **the insured auto** and who:

- i. Holds a valid driver's license at the time of **loss**, and
 - ii. Is not a **regular operator of the insured auto**.
4. **"Betterment"** means a deduction for making an item better or adding value thereto.
 5. **"Collision"** means **loss** caused by **the insured auto's** upset, overturn, or sudden impact with another object.
 6. **"Comprehensive"** means **loss to the insured auto** caused by an event other than **collision**. **Comprehensive loss** includes, but is not limited to, **loss** caused by missiles, falling objects, fire, theft or larceny. It also includes explosion, earthquake, volcanic activity, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, contact with a bird or animal, or breakage of glass. If breakage of glass results from **collision**, you may elect to have it treated as **loss** caused by **collision**.
 7. **"Custom or additional equipment"** means any equipment which was not installed at the factory by the listed **vehicle's** original manufacturer or not sold as an original option for the listed **vehicle's** identification number.
 8. **"Deductible"** is that sum that is shown on the **Declarations Page** and will be deducted from the **loss**.
 9. **"Depreciation"** means the **loss** of value caused by physical, technological, social, and/or location deterioration.
 10. **"Diminution of value"** means the difference in the **actual cash value of the insured auto** immediately before and after a **loss**.
 11. **"Loss"** means sudden, direct, and accidental damage to, or theft of, **the insured auto**, including its original optional equipment, which is permanently installed at the factory by the **vehicle** manufacturer or authorized dealer. **Custom or additional equipment** is covered only if declared before the **loss** and you pay an additional premium. Equipment installed or alterations made by conversion facilities to an **auto** or camper are not considered standard equipment.
 12. **"Stated Value"** means the **vehicle** value listed on the **Declarations Page**.

APPRAISAL – PART E ONLY

You or we may demand appraisal of the **loss**. Both parties will be bound by the results of the appraisal. Each party will appoint and pay a competent disinterested appraiser and will equally share other appraisal expenses. Each appraiser will determine separately the **stated value** as calculated under the terms of the policy at the time of the **accident**, **actual cash value** of the **vehicle** at the time of the **accident** and the amount payable to repair the **vehicle** under Part E as calculated according to the Limit of Liability under Part E. If the appraisers fail to agree, they will select an umpire and submit their differences to the umpire. If the appraisers cannot agree on an umpire, either may request that a judge of a court having jurisdiction make selection. An award in writing by any two of these

three will determine the amount payable, subject to the terms of this policy. Attorney fees shall not be regarded as appraisal expenses. In no event shall an Appraisal be instituted more than two (2) years after date of the **accident** and in no event shall the award exceed the Limit of Liability under Part II. We do not waive any rights by agreeing to an appraisal.

EXCLUSIONS – PART E ONLY

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

We do not cover **loss**:

1. That results from nuclear reactions, radiation, or fallout.
2. Covered by a nuclear energy liability policy, even if the limits of that policy are exhausted.
3. That results from the ownership, maintenance, or use of **the insured auto** while used to transport persons or property for a fee or compensation. This exclusion does not apply to shared-expense car pools.
4. To **the insured auto** while it is rented or leased to others.
5. To clothes, tools, or other personal effects.
6. To property the **insured person** rents, uses, or has charge of, including **loss** of its use.
7. To any **vehicle** other than one with four (4) wheels.
8. Resulting from the use of any **vehicle** in any **racing** event or off-road recreational activity.
9. To any **vehicle** or **trailer** resulting from **your** employment by or ownership of any **auto business**.
10. Resulting from the ownership, maintenance, or use of a **vehicle** or **trailer** while a person is engaged in any **business** activity other than **auto business** activities. This exclusion includes use of a **vehicle** for delivery or pickup of goods or services arising out of any **business**. The exclusion does not apply if **"business use"** of **the insured auto** has been declared and you pay an additional premium.
11. Resulting from the use of **the insured auto** for snow removal.
12. Caused by war (declared or undeclared), civil war, insurrection, rebellion, or revolution.
13. Caused to a camper body, pickup shell, box cover, or **trailer owned** by you or any other person.
14. Resulting from the maintenance or use of any **auto** or **trailer** not **owned** or regularly available to you, a **relative**, or a **resident**, while in custody of or operated by such person.
15. Resulting from prior **loss** or damage, manufacturers' defects, wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires. However, coverage does apply if the **loss** is the result of other **loss** covered by this policy.

16. To any modified suspension equipment, modified engines, modified carburetor systems, or modified equipment, including but not limited to:
 - a. Aluminum, magnesium, chrome, or alloy wheels,
 - b. Special wide-tread tires or slicks.

This exclusion does not apply to special equipment as outlined under **Custom or Additional Equipment Coverage**.

17. To winches, utility boxes, or tool boxes.
18. To tapes, compact discs, records, cassettes, or similar recording or recorded media used with sound equipment, including any cases or other containers used in storing or carrying such items.
19. To custom paint, murals, decals or graphics, special carpeting or furnishings. To sunroofs, moon roofs, t-bar roofs or height extending roofs, bubble domes or similar windows. To refrigeration or cooking equipment and any equipment used for sleeping.
20. To any electronic equipment, antennas, other devices used exclusively or primarily to send or receive audio, visual, or data signals, or to play back recorded media. This is provided that such equipment or device is not permanently installed in the dash or console opening of **the insured auto** by the **vehicle** manufacturer or dealer. It also will not be specified as original equipment by the **vehicle** manufacturer.
21. To sound receiving or transmitting equipment designed for use as citizen band radios or two-way mobile radios. Also, televisions, VCRs, telephones not originally installed by the original make and model **vehicle** manufacturer or dealer. Also, home high fidelity equipment, scanning monitor receivers, radar or laser detectors. Also, any other detection equipment for speed-measuring device, or any accessories or antennas to any of these types of equipment.
22. To TV antennas, awnings, cabanas, or equipment designed to provide additional living facilities.
23. Resulting in damage or **loss** of use to a rental **vehicle**.
24. To damage caused by, due to, or in any way resulting from the alteration, modification, or customizing of the **vehicle**, including any modification that alters or has an effect on the driving ability, road worthiness, handling, or safety of **the insured auto**.
25. To **the insured auto** when in the care, custody, or control of an **authorized driver** for the purpose of selling **the insured auto**.
26. Caused intentionally by, or at the direction of, an **authorized driver**, or anyone using **the insured auto** with **your** express or implied permission and within the scope of such permission.
27. To **the insured auto** caused by or resulting from **your** acquiring an **auto** from the seller without legal titles available to **you**.
28. To **the insured auto** while being operated by a person or persons specifically excluded by endorsement.
29. To any **vehicle** that is subject to bailment lease, conditional sale or consignment agreement not specifically declared and described in this policy.

30. Caused to **the insured auto** when it is driven, operated or used with **your** express or implied permission by a person who:
 - a. Is under the minimum age to obtain legal authority to drive;
 - b. Is less than fifteen (15) years of age;
 - c. Does not have a valid driver's license, or
 - d. Has had their driving privileges rescinded by license revocation.
31. Caused to **the insured auto** when it is driven, operated, or used by any person who resides in **your** household or is a **regular operator of the insured auto** and such person is not listed or endorsed on the policy prior to **loss**.
32. Arising out of or due to the use of the **vehicle** for transportation of any explosive substance, flammable liquid, or similarly hazardous materials, except transportation incidental to **your** ordinary household activities.
33. Due to confiscation or destruction by governmental or civil activities.
34. To paint or discoloration of paint resulting from acid rain, smoke, smog, chemicals, salt, tree sap, or animal or bird droppings unless such **loss** is a direct result of **collision** or vandalism.
35. While **the insured auto** is used in the commission of a **crime**.
36. To **the insured auto, non-owned auto or trailer for diminution of value**.
37. To any **non-owned auto**.
38. Caused by the theft or conversion of **the insured auto** by a person to whom **you** have voluntarily entrusted **the insured auto**.
39. To any non-dealer or non-factory installed equipment that mechanically or structurally changes **the insured auto**. This change results in an increase in performance or a change in appearance and includes equipment that does not conform to this **state's** Motor Vehicle Code.
40. To a single **vehicle accident** with **bodily injury** when no police report has been made within twenty-four (24) hours of the **accident**.

LIMITS OF LIABILITY – PART E ONLY

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

1. The **actual cash value** of the stolen or damaged property, at the time of **loss**, which may include an adjustment for **depreciation** and/or **betterment**; or
2. The amount necessary to repair or replace the property to its physical condition at the time of **loss** using parts produced by or for the **vehicle's** manufacturer or parts from other sources including, but not limited to, **aftermarket parts**, as specified in Payment of Loss – Part E Only; or
3. The **stated value** listed on the **Declarations Page** less **depreciation** (computed at the rate of 2% per month of the stated value for every month or part thereof that the policy shall have been in force and

the total percentage deduction for **depreciation** shall be computed on the whole amount in one sum and not by monthly deductions) and less any deduction for the cost to replace missing equipment and less the cost of repair of any old unrepaired physical damage.

Custom or additional equipment is not covered under this Part. The value must be reported to **us** before the **loss**. **You** must also pay a premium, for the **Custom or Additional Equipment** Coverage as shown on the **Declarations Page** to apply.

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

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

Loss to the insured auto may also be payable under the Liability Coverage of another policy issued by **us**. If so, then **we** will pay for such damage or **loss** only once, either under this policy or under the Liability section of the other policy.

Sound reproducing equipment and component parts shall be subject to a maximum limit of five hundred dollars (\$500). This shall be in total when permanently installed by a factory or dealer as original equipment in the dash or console opening of **the insured auto**.

PAYMENT OF LOSS – PART E ONLY

We may pay for the **loss** in money, or repair or replace the damaged or stolen property. **We** may repair **the insured auto** using either **aftermarket parts** or recycled used parts, whichever is deemed less expensive by **us**, and with a deduction for **depreciation** and/or **betterment**. **We** may return at **our** expense any property either to **you** or to the address shown on the **Declarations Page**, with payment for any resulting damage. This may be any time before the **loss** is paid or the property is replaced. **We** may keep all or part of the property at the agreed or appraised value. **You** do not have the right to abandon salvage to **us**. **We** may settle any claim for **loss** either with **you**, or with the **owner** of the property. Payment for **loss** is required only if **you** have fully complied with the terms of this policy.

We may wait up to fifteen (15) days from the date the theft is reported in writing to the police and to **us**. Then **we** may either issue payment or replace the property.

PROOF OF LOSS

You must file written proof of **loss** within sixty (60) days from the date **we** request it or there will be no coverage under this Part.

OTHER INSURANCE – PART E ONLY

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

NO BENEFIT TO BAILEE

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

TIMELINESS OF REPAIRS

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

ALARM

Your application may state that there is an alarm system installed on or in **the insured auto**. If that is the case, then **you** agree that the alarm system will always be kept in good working condition. **You** also agree that the alarm will not be removed from **the insured auto**. If this agreement is breached, insurance under this Part regarding **THEFT of your vehicle** shall be void and **you** may become personally liable to **us** for damages.

TWO OR MORE AUTOMOBILES

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

CAR STORAGE AND TOWING

We will pay up to a maximum of fifty dollars (\$50) for the cost of towing and/or storage of **the insured auto** in the event of a **loss** to **the insured auto** for which coverage is provided under this Part.

TOWING AND LABOR COVERAGE

If the **Declarations Page** shows a specific premium charged for Towing and Labor Coverage, **we** will pay up to the limits shown on the **Declarations Page** for towing and labor costs incurred each time **the insured auto** is disabled. This does not include its running out of gas. **We** will cover labor, not including emergency locksmith repair, only if done at the place of disablement. **You** agree to provide **us** with proof of incurred towing and

labor charges. This proof must be in the form of verifiable receipts.

CUSTOM OR ADDITIONAL EQUIPMENT COVERAGE

If the **Declarations Page** shows a specific premium charged for **Custom or Additional Equipment Coverage**, we will pay for direct and accidental **loss** to additional equipment. **You** must have identified the additional equipment to **us** before the **loss** and such equipment must be permanently attached to **the insured auto**. **Our** limit of liability for **loss** to additional equipment shall not exceed the lesser of:

1. The **actual cash value** of the stolen or damaged property at the time of **loss** which may include an adjustment for **depreciation** and/or **betterment**;
2. The amount necessary to repair or replace the property as specified in Payment of Loss – Part E Only, or
3. The declared value of the identified equipment as shown on the **Declarations Page**.

The amounts referenced above will be reduced by the applicable **deductible** as listed on the **Declarations Page**.

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

We do not cover **loss** to any of the following types of equipment unless declared, approved, and an additional premium is charged for **Custom or Additional Equipment Coverage**:

1. Awnings, cabanas, campers, custom enclosures, or any other equipment designed to provide additional living facilities.
2. Any equipment or alteration not permanently installed at the factory by the original make and model **vehicle** manufacturer or authorized dealer and considered standard or original optional equipment for such **vehicle**. Equipment installed or alterations made at a conversion facility to an **auto** or camper is not considered standard or original optional equipment installed by the **vehicle** manufacturer.
3. Nonstandard chrome, alloy, aluminum, or magnesium wheels.
4. Custom wide-tread tires and **racing** slicks.
5. Custom chroming or gold plating, two-tone or custom paint work, or custom interior work.
6. Captains or swivel chairs or tables.
7. Sun roof, moon roof, T-bar roof, or landau-roof, if not permanently installed by the original make and model **vehicle** manufacturer or the authorized representative of the **vehicle** manufacturer.
8. Bubble dome, bubble window, or any deluxe roof treatment.
9. Satellite navigational devices if not permanently installed by the original make and model **vehicle**

manufacturer or the authorized representative of the **vehicle** manufacturer.

10. Any “ground effects” package or “continental kit.”
11. Telephones permanently installed by the original make and model **vehicle** manufacturer.

RENTAL REIMBURSEMENT COVERAGE

If the **Declarations Page** shows a specific premium charged for Rental Reimbursement Coverage, we agree to pay **you** for any reasonable and necessary transportation expense incurred. This payment shall not be more than the limit shown on the **Declarations Page** for the **loss** of use of **the insured auto** because of the damage covered under Part E to **the insured auto**. The limit shown on the **Declarations Page** shall be payable for a maximum of thirty (30) days.

1. In the event of theft, **you** must report the **loss** to the police within twenty-four (24) hours. Rental Reimbursement Coverage will terminate when **the insured auto** is returned to **you** for use or **we** pay the **loss**. **We** will pay for the rental **vehicle** beginning seventy-two (72) hours after the **loss**.
2. **The insured auto** means the **vehicle** described on the **Declarations Page** and for which specific premium is charged for this coverage.
3. **The insured auto** must be continuously withdrawn from normal use for more than twenty-four (24) hours.
4. **We** will reimburse **you** for rental only for the length of time required to repair or replace **the insured auto** as quickly and reasonably as possible.
5. For the purposes of this endorsement, any **vehicle** rented as a **substitute auto** shall receive the same coverage as the **auto** which it temporarily replaces.
6. For purposes of this endorsement, a **substitute auto** means any **vehicle you** rent, from an entity licensed to conduct such **business** under applicable **state** law, to use temporarily while an **auto** described on the **Declarations Page** is not available for use. Use of the **substitute auto** must result directly from the **loss** of use of **the insured auto** because of damage covered under Part E to **the insured auto**.

This endorsement is subject to such exclusions, conditions, and other terms of the policy which are applicable to **the insured auto**.

PART F – GENERAL PROVISIONS

POLICY PERIOD AND TERRITORY

This policy shall become effective on the date and time shown on the **Declarations Page** at the address shown on the **Declarations Page**. The policy will expire on the date and time specified on the **Declarations Page** at the address shown on the **Declarations Page**, unless terminated sooner.

This policy applies only to **accidents** and losses that occur during the policy period shown on the **Declarations Page** and within the United States of America.

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

PREMIUM CHANGES

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

You agree:

1. That if **you** provide incorrect or incomplete information, **we** may adjust the premium accordingly during the policy period. **We** may also adjust the premium if any information material to calculating the policy premium changes.
2. To cooperate with **us** in determining if this information is correct and complete. **You** must also advise **us** of changes in this information within fourteen (14) days of the change.
3. That the return premium will be calculated based on the correct premium, if this policy is canceled.

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

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

1. Any **auto** insured by the policy including changes in use.
2. Drivers, driver's age, or driver's marital status.
3. Coverages or coverage limits.
4. Rating territory.
5. Eligibility for discounts or other premium credits.
6. Any other rating criteria permitted by law.

COVERAGE CHANGES

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

PREMIUM PAYMENT

Premium payment means the actual receipt of cash funds by **us**. **We** provide coverage for each policy term

only on condition that the initial **premium payment** and subsequent installment payments for that policy term are paid. **You** have not paid the initial premium or any installment payment if **you** give **us** a check, a credit card, or an electronic funds transfer that is not honored at first presentation by the financial institution upon which it is drawn.

You have not paid the initial down payment premium if **you** give **us** a check or a credit card or an electronic funds transfer that is not honored at first presentation by the financial institution upon which it is drawn. In that event, this policy shall be void from the inception of the policy term and no coverage will exist, regardless of whether the policy has been issued.

You may receive a cancellation notice from **us**, referencing either a regular installment payment or a renewal down payment, and informing **you** that **your premium payment** to **us** was returned unpaid. **You** then must provide a replacement payment to **us** by means of either a cashier's check or money order. When **you** then make such payment, in a timely manner, by the due date noted on the cancellation notice, **your** policy will remain active and in force.

CANCELLATION AND NONRENEWAL

We will not cancel, nonrenew, or discontinue **your** policy solely because of the age, race, color, religion, sex, national origin, or ancestry of anyone who is an insured.

You may cancel this policy by returning it to an authorized agent or **us**. **You** also may cancel by advising **us** in writing at a future date as to when the cancellation is to be effective.

If this policy has been in effect fifty-nine (59) days or less and is not a continuation or renewal policy, **we** may cancel for any reason. **We** will mail notice to **you** at the address shown on the **Declarations Page** at least fifteen (15) days before the effective date of the cancellation. **We** may also deliver the notice at least fifteen (15) days before the effective date of the cancellation.

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

1. With at least fifteen (15) days' notice of cancellation:
 - a. For nonpayment of premium.
 - b. If **your** driver's license has been suspended or revoked after the effective date. This applies if this policy has been in effect less than one (1) year or if the policy has been in effect longer than one (1) year, since the last anniversary of the original effective date, or
2. With at least sixty (60) days' notice if the policy was obtained through material misrepresentation.

We will mail to **you** at the address shown on the **Declarations Page** or deliver to **you** notice of non-renewal if **we** decide not to renew or continue this policy:

1. With at least fifteen (15) days' notice before the end of the policy period:
 - a. For nonpayment of premium; or
 - b. If **your** driver's license has been suspended or revoked after the effective date. This applies if this policy has been in effect less than one (1) year or if the policy has been in effect longer than one (1) year, since the last anniversary of the original effective date, or
2. With at least sixty (60) days' notice before the end of the policy period in all other cases.

Proof of mailing is proof of notice. Mailing is equivalent to delivery.

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

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

LIMITATIONS ON AGENT AUTHORITY

The authorized agent who obtained this policy for **you** has limited authority to act in transacting **business** with **you** on this policy. **Your** policy is governed by **our** guidelines, **our** rules, applicable laws, and regulations. If the authorized agent makes any statements or assurances to **you** concerning **your** policy, such statements or assurances are also governed by **our** guidelines, **our** rules, applicable laws, and regulations.

The authorized agent who obtained this policy for **you** does not possess any apparent, implied, or actual authority to act on **our** behalf after the expiration, cancellation, or nonrenewal of **your** policy with **us**. Any representations made by the authorized agent after a notice of termination has been initiated, by either **you** or **us**, will apply only if **we** provide prior written approval.

ARBITRATION

If **we** and an **insured person** do not agree whether that **insured person** is legally entitled to recover damages, or if either party disagrees as to the amount of damages that are recoverable by the insured under Part C –

Uninsured Motorist Coverage or Part D – Underinsured Motorist Coverage then the matter may be arbitrated.

Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two (2) arbitrators will select a third arbitrator. If they cannot agree within thirty (30) days, either may request the selection be made by a judge of a court having jurisdiction.

Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally. Unless both parties agree otherwise, the arbitration is to take place in the county in which the insured resides.

REPLACEMENT OR ADDITIONAL VEHICLES

This policy is applicable to **the insured auto**, as defined. The policy will not be applied to any other **vehicle** without **our** prior agreement. There is no automatic provision of coverage for newly acquired additional or replacement **vehicles**. **You** may obtain immediate, temporary insurance on these **vehicles** by contacting **your** agent or calling **us**.

After calling **us**, **you** must either:

1. Present the **vehicle** for inspection within seventy-two (72) hours or
2. Present documentation within seventy-two (72) hours as proof that the **vehicle** was purchased new, never having been titled to a prior **owner**.

However, it should be noted that any change in **vehicle** could result in an increase to **your** premium. **We** will make any premium adjustment necessary on the date of such change in **vehicles**. The premium adjustment will be made in accordance with the rates then in use by **us**.

To qualify as an additional or replacement **auto** under this policy, any newly acquired **auto** must be an acceptable risk to **us** under **our** underwriting guidelines.

TWO OR MORE AUTO POLICIES

This policy and any other **auto** insurance policy issued to **you** by **us** may apply to the same **accident**. If that is the case, the maximum limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one (1) policy, even though separate premiums have been paid.

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 A of this policy until the obligation of an insured to pay is finally determined either by judgment against the insured or by written agreement of the insured, the claimant, and **us**. No one shall have any right to make **us** a party to a suit to determine the liability of an

insured. Any lawsuit brought against **us** under this policy must be commenced within one (1) year.

TRANSFER OF YOUR INTEREST IN THIS POLICY

Interest in this policy may not be assigned or transferred without **our** written consent. However, if a named insured shown on the **Declarations Page** dies, coverage will be provided for:

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

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

BANKRUPTCY

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

OUR RECOVERY RIGHTS

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

A person who has been paid by **us** under this policy may also recover from another. That person shall then hold the amount recovered in trust for **us**. It then shall be reimbursed to **us** to the extent of **our** payment. This is provided that the person to or on behalf of whom such payment is made is fully compensated for their loss.

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

LOSS PAYABLE CLAUSE

At **our** discretion, **we** may pay **loss** or damage due under this policy according to **your** interest. At **our** discretion, **we** may also pay **loss** or damage due under this policy according to the interest of the loss payee if one is shown on the **Declarations Page** at time of **loss**. **We** may make separate payments according to those interests.

We will not pay for any **loss** caused by conversion, embezzlement, secretion, fraud or omissions by **you** or

anyone acting on **your** behalf. In addition, **we** will not pay a Lienholder, loss payee, lender, or additional insured for any **loss** where fraud, misrepresentation, omission, concealment or intentional damage has been committed by or at the direction of an **insured person, resident, or relative**.

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 clause.

We may pay the loss payee under the terms of this clause for a **loss** not covered under the policy. If that is the case, **we** are then 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. The loss payee must transfer to **us** all supporting documents if **we** pay the balance due to the loss payee on the vehicle.

Coverage and payments to the loss payee shall be made in accordance with all terms, conditions, limitations and exclusions contained in this policy. In no event shall the loss payee be entitled to coverage and benefits greater than those applicable to **you** or any **insured person**.

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

PUNITIVE OR EXEMPLARY DAMAGES

This insurance shall not apply to punitive or exemplary damages. **We** will not provide any defense of punitive or exemplary damages sought under any Part of this policy. **We** will not pay for any claim, settlement, judgment, or other award of punitive or exemplary damages under any Part of this policy.

TERMS OF POLICY CONFORMED TO STATUTES

Terms of this policy that conflict with the statutes of the **state** in which **we** issue this policy are amended to conform to such statutes.

FRAUD AND MISREPRESENTATION

We do not provide coverage for any **insured person** who has made false or fraudulent representations or statements or engaged in fraudulent conduct in obtaining coverage, or concerning any **accident** or loss for which coverage is sought under this policy.

If **we** are not permitted to void this policy, any first-party claims will be reduced by the amount of any additional premium owed to **us**. Any payments made by **us** as the result of **your** fraud or misrepresentation may be recovered from **you** or from any payments due or

made to **you** under any first party coverage provided by this policy.

POLLUTION EXCLUSION

As used in this exclusion, “**pollutants**” include but are not limited to any solid, liquid, gaseous, or thermal substance, irritant, or contaminants. **Pollutants** include but are not limited to smoke, vapor, soot, fumes, acids, alkalis, toxic chemicals, and waste. Waste includes but is not limited to materials that may be recycled, reconditioned, or reclaimed, whether or not known to contain **pollutants** or result in environmental damage.

It is agreed that this insurance does not provide coverage for **bodily injury** or **property damage** arising out of or resulting from the intentional or unintentional, actual, alleged, or threatened discharge, release, dispersal, seepage, or escape of **pollutants** contained in any property:

1. Transported by, towed by, loaded into, or unloaded from **the insured auto**.
2. Otherwise in the course of transit.
3. Stored, disposed of, treated, or processed in or upon **the insured auto**. This exclusion does not apply if:
 - a. The **pollutants** are emitted directly from an **auto** part designed by its manufacturer to hold, store, receive, or dispose of such **pollutants**.
 - b. The **bodily injury** or **property damage** does not arise out of the operation of any equipment or device mounted on an **auto** chassis or used to raise or lower workers, and
 - c. The **bodily injury** or **property damage** does not arise out of the operation of any air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, or well servicing equipment.
4. Containing the **pollutants** before or after the **pollutants** are moved from the place of acceptance, delivery, disposal, or abandonment, for movement into, onto, or from **the insured auto**. This exclusion does not apply if:
 - a. The **pollutants** or any property in which they are contained is upset, overturned, or damaged as a result of the maintenance or use of **the insured auto**, or
 - b. The discharge, dispersal, release, or escape of the **pollutants** is caused directly by such upset, overturn, or damage.

It is agreed that this insurance does not provide coverage for any loss, cost, liability, or expense arising out of any judicial, administrative, or other governmental order, direction, or request that **you** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **pollutants** or environmental damage.

RECISSION

In the first fifty—nine (59) days of this policy:

We retain the right to void this policy from its beginning if **we** receive a down payment that is returned unpaid for any reason. Coverage under this policy is contingent upon **us** receiving full, final and complete payment of the down payment of the premium. **We** will not cover losses of any kind that occur after the inception of the policy if **your** down payment is returned unpaid.

We reserve the right to void this policy from its beginning if **we** determine that **you** have provided incomplete, inaccurate or false information in **your application**.

STRUCTURED SETTLEMENTS

Any insured and **we** may make an agreement that is mutually satisfactory as respects to timing and amounts of payments under Extraordinary Medical Benefits. This shall be when it is apparent that payment of medical expense benefits in the form of a structured settlement will be both cost-effective to **us** and in the best interest of an insured. This may include annuities or other long-term payment arrangements.

LIMITED TORT ALTERNATIVE INFORMATION NOTICE

You have the right to elect a form of insurance, which limits **your** right, and the rights of members of **your** household to seek financial compensation for injuries caused by other drivers. Each person who elects the “limited tort alternative” remains eligible to seek compensation for economic loss sustained in a motor **vehicle accident**, as the consequence of the fault of another person pursuant to applicable tort law. Unless the injury sustained is a **serious injury**, each person who is bound by the limited tort election shall be precluded from maintaining an action for **non-economic loss**, except that:

1. An individual otherwise bound by the limited tort election that sustains damages in a motor **vehicle accident** as the consequence of the fault of another person may recover damages as if the individual damaged had elected the full tort alternative whenever the person at fault:
 - a. Is convicted or accepts Accelerated Rehabilitative Disposition for driving under the influence of alcohol or a controlled substance in that **accident**;
 - b. Is operating a motor **vehicle** registered in another **state**;
 - c. Intends to injure himself/herself or another person. This is provided that an individual does not intentionally injure himself/herself or another person merely because his/her act or failure to act is intentional or done with his or her realization that it creates a grave risk of causing injury if the

- act of omission causing the injury is for the purpose of averting bodily harm to himself/herself or another person; or
- d. Has not maintained financial responsibility as required by the Pennsylvania Motor Vehicle Financial Responsibility Law. Provided that nothing herein shall affect the limitation of a person, precluded from maintaining an action for non-economic damages under the limited tort alternative, to recover non-economic damages under Uninsured Motorist Coverage or Underinsured Motorist Coverage.
2. An individual, otherwise bound by the limited tort election, shall retain full tort rights with respect to claims arising out of a defect in a motor **vehicle**. Such defect shall be caused by or not corrected by an act or omission of a person in the **business** of designing, manufacturing, repairing, servicing, or otherwise maintaining motor **vehicles**. The defect shall arise in the course of such **business**, other than a defect in a motor **vehicle** that is operated in such **business**.
 3. An individual otherwise bound by the limited tort election shall retain full tort rights if injured while **occupying** a motor **vehicle** other than a private passenger motor **vehicle**.

EXCLUDED DRIVERS

If **you** have asked **us** to exclude any person from coverage under this policy, then **we** will not provide coverage for any claim arising from an **accident** or loss involving a covered **vehicle** that occurs while it is being operated by the excluded person. This includes any claim for damages made against **you**, a **relative**, or any other persons or organization that is vicariously liable for an **accident** arising out of the operation of the **insured auto** by the excluded driver.

This policy is signed on behalf of American Freedom Insurance Company by **our** President and Secretary, and is countersigned on the **Declarations Page**, if necessary, by **our** authorized representative.

President

Secretary

The following endorsement applies only if Form Number LCC0310 appears on your Declarations Page

LIMITED COMPREHENSIVE COVERAGE (Optional)

In consideration for a premium discount to **your Comprehensive** premium, it is agreed that the policy is amended as follows:

AMENDMENT 1

The definition of “**Comprehensive**” in Part E is deleted and replaced by the following:

“**Comprehensive**” means only **loss** caused by fire, **theft** or breakage of glass. If breakage of glass results from **collision**, **you** may elect to have it treated as a **loss** caused by **collision**.

AMENDMENT 2

The following definition is added and used in this Part only:

“**Theft**” means the unlawful taking of the **insured auto** in its entirety during a single incident.

AMENDMENT 3

Coverage under this policy does not apply to theft of parts or equipment, unless the entire **vehicle** has been stolen.

The following endorsement applies only if Form Number ADB0310 appears of your Declarations Page

ACCIDENTAL DEATH BENEFIT ENDORSEMENT (Optional)

INSURING AGREEMENT

We agree with **you**, in return for **your premium payment** and subject to all of the provisions of this endorsement and to all of the provisions and definitions of the policy as modified herein, as follows:

We will pay the limit of liability shown on the **Declarations Page** in the event of death of an **insured person** that results directly and solely from **bodily injury** caused by an **accident** involving a **vehicle**.

ADDITIONAL DEFINITIONS

As used in this endorsement (all other definitions in the policy remain as written):

“**Insured person**” means **you**, a **relative** or **resident**.

“**Vehicle**” means a motor **vehicle**, having more than three (3) load-bearing wheels, of a kind required to be registered under the laws of the **state** and relating to motor **vehicles** designed primarily for operation upon the public streets, roads and highways. The **vehicle** shall be driven by power other than muscular power, and includes a **trailer** drawn by or attached to such a motor **vehicle**.

EXCLUSIONS

We do not provide Accidental Death Benefits for any person who sustains an:

1. Accidental death while **occupying** a motorcycle, moped, motorized bicycle or similar two (2) wheeled **vehicle**, or all-terrain motorized **vehicle** having two (2), three (3), or four (4) wheels.
2. Accidental death while **occupying the insured auto** when it is being used to carry persons or property for a fee, including rental of **the insured auto** to others. This exclusion does not apply to a shared-expense car pool.
3. Accidental death while **occupying** any **vehicle** used as a residence or premises.
4. Accidental death while operating any **vehicle** other than **the insured auto**, which is **owned** by or furnished for regular use of any **insured person**.
5. Accidental death occurring when **occupying a vehicle** without the express or implied permission of the **owner**.
6. Accidental death while **occupying a vehicle** when it is being used in the **business** of an **insured person**.
7. Accidental death while **occupying a vehicle** when it is being used in any **auto business**.
8. Accidental death caused by the discharge of a nuclear weapon (even if accidental), war (declared or undeclared), civil war, insurrection, rebellion or revolution or any consequence of any of these.
9. Accidental death from any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
10. Accidental death while the motor **vehicle** is used for **racing**.
11. Accidental death where the **accident** occurs and arises out of the use of a motor **vehicle** while the **insured person** is in the commission of a **crime**.

LIMITS OF LIABILITY

Regardless of the number of **insured persons**, policies or bonds applicable, claims made or **the insured autos** to which this coverage applies, the limit of **our** liability under Accidental Death Benefit Coverage is the limit of liability shown on the **Declarations Page** per **insured person**.

GENERAL PROVISIONS

Part F of the policy applies to this coverage.