We know how important it is for you to stay on the move.
This policy is a legal contract between you and us. These policy provisions with the Declarations page, applications and endorsements, if any, issued to form a part thereof, complete this policy.

IMPORTANT: Please read your California Personal Auto 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.

NOTICE: For your protection, California law requires the following to appear on this form.

“Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.”

READ YOUR POLICY CAREFULLY
To Report A Claim
1-800-468-3466

CALIFORNIA NOTICE TO INSURED

If you are unable to satisfactorily resolve a problem after contacting your agent or our customer service representatives, you may want to notify the Department of Insurance,

Consumer Services Division
300 S. Spring Street
Los Angeles, CA  90013 or call
1-800-927-HELP
in Los Angeles (213) 897-8921

Integon National Insurance Company
Integon Preferred Insurance Company
500 W. Fifth Street
Winston-Salem, NC  27102
1-800-526-0332
# YOUR PERSONAL AUTO POLICY

## QUICK REFERENCE

### DECLARATIONS PAGE

Your Name and Address  
Your Auto or Trailer  
Policy Period  
Coverages and Amounts of Insurance  

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PERSONAL AUTOMOBILE POLICY

AGREEMENT
This policy is issued and renewed in reliance upon the truth and accuracy of the representations made in the application for this insurance. The terms of this policy impose obligations on all persons defined as “you.” The responsibilities, acts and/or omissions, in connection with this insurance, of any person defined as “you” shall be binding upon all other persons defined as “you.”

In return for payment of the premium and subject to all the terms of this policy, we agree with you as follows:

DEFINITIONS
Throughout this policy, “you” and “your” refer to:
1. The person shown as the named insured in the Declarations Page; and
2. That person’s spouse if a resident of the same household.
3. An individual who is a resident of the “named insured’s” household and who co-owns one or more vehicles insured under this policy with the “named insured” or resident spouse.

“We,” “us” and “our” refer to the Company providing this insurance as shown on the Declarations Page.

The following words or phrases, when printed in bold-faced type or in quotation marks, are defined as follows:
“Accident” means: a sudden, unexpected and unintended occurrence.

“Actual Cash Value” means: the amount it would cost to replace the stolen or damaged property with property of like kind and quality. In the event replacement property of like kind and quality is unavailable, allowances can be made for the difference in value between the replacement and damaged property.

“Auto” means: a land motor vehicle:
1. Of the private passenger, pickup body, sedan delivery or panel truck type;
2. Having more than three load-bearing wheels;
3. Designed primarily for operation upon the public streets, roads and highways.
4. Driven by power other than muscular power;
5. With a gross vehicle weight of 10,000 pounds or less.

“Bodily injury” means: bodily harm, sickness or disease, including death that results therefrom.

“Business” means: trade, profession or occupation, other than farming or ranching.

“Depreciation” means: decline of value due to wear and tear or obsolescence.

“Family member” means: a person related to you by blood, marriage or adoption who is a resident in the same household. This includes a ward, stepchild, or foster child.

“Loss” means: sudden, direct, and accidental loss or damage.

“Non-owned auto” means: any auto that is not owned by, furnished or available for
the regular use of you, any family member or the spouse of the named insured even if not residing in the same household as the named insured while in the custody of or being operated by you or any family member. However, non owned auto does not include any auto used as a temporary substitute for an auto you own which is out of normal use because of its breakdown, repair, servicing, loss or destruction. This definition of non-owned auto does not apply to Part D - Coverage for Damage to Your Auto. Non-owned auto is redefined in that section.

“Occupying” means: in; upon; getting into, out of, on or off.

“Owned” means the person:
1. Holds title to the auto;
2. Has legal possession of the auto which is subject to a written security agreement with an original term of six (6) months or more; or
3. Has legal possession of the auto which is leased to that person under a written agreement for a continuous period of six (6) months or more.

“Owner” means any person who, with respect to an auto:
1. Holds legal title to the auto;
2. Has legal possession of the auto that is subject to a written security agreement with an original term of six (6) months or more; or
3. Has legal possession of the auto that is leased to that person under a written agreement for a continuous period of six (6) months or more.

“Property damage” means: physical injury to, destruction of, or loss of use of tangible property.

“Trailer” means: a nonpower vehicle designed to be towed on public roads by an auto. It includes a farm wagon or farm implement while being towed by an auto. It does not include a mobile home, or a trailer used as an office, store, display or passenger conveyance.

“Your covered auto” means
1. Any auto shown on the Declarations Page.
2. Any of the following types of vehicles on the date you become the owner, but only if you have asked us to insure it as set forth below:
   a) a private passenger auto or station wagon; or
   b) a pickup truck or private passenger van that:
      (1) is not used for the delivery or transportation of goods and materials unless such use is:
          a) incidental to your business of installing, maintaining or repairing furnishings or equipment; or
          b) for farming or ranching; and
      (2) has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds.

If the auto you acquire replaces one shown in the Declarations, it will have the same coverage as the auto it replaced, if you:
a) become the owner of the auto during the policy period; and
b) ask us to insure it within 30 days after you become the owner; and

c) no other insurance policy provides coverage for the auto.

If the auto you acquire is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any auto shown in the Declarations, if you:

a) become the owner of the auto during the policy period; and
b) ask us to insure it within 30 days after you become the owner;

c) we insure all autos that you own; and

d) no other insurance policy provides coverage for the auto.

If you do not notify us within the time limit noted above, no coverage exists for the newly acquired auto or replacement auto.

3. Any trailer you own, while being pulled by your covered auto.

4. Any auto or trailer not owned by you while used as a temporary substitute for any other auto described in this definition which is out of normal use because of its:

a) breakdown;

b) repair;

c) servicing;
d) loss; or
e) destruction.

However, this definition of “your covered auto” does not apply to Part D - Coverage for Damage to Your Auto; “your covered auto” is defined separately in Part D - Coverage for Damage to Your Auto.

PART A > LIABILITY COVERAGE

INSURING AGREEMENT

We will pay damages, except punitive or exemplary damages or prejudgment interest, for bodily injury or property damage for which any insured becomes legally responsible because of an accident arising out of the ownership, maintenance, or use of an auto. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when we offer to pay and pay our limit for this coverage. We have no duty to defend any suit, settle any claim or pay any judgment for bodily injury or property damage not covered under this policy. Bodily Injury Liability Coverage applies only on those covered autos for which Bodily Injury Liability Coverage is noted on the Declarations and for which a specific limit and premium is specified.

If this policy provides coverage in excess of the minimum liability limits required by the California Financial Responsibility Act, then the coverage in excess of those limits shall not apply to the use of an auto by any person other than you or a family member.

“Insured” as used in Part A means:

1. You or any family member with respect to an accident arising out of the ownership, maintenance or use of any auto with the owner’s permission.
2. Any person, with respect to an accident arising out of that person's use of your covered auto with the express or implied permission of you or a family member. However, coverage for this person only applies up to the minimum liability limits required by the California Financial Responsibility Act.

3. For your covered auto, any person or organization other than 1. and 2. above but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part A and up to the limits afforded to such person under this Part A.

4. For any auto or trailer, other than your covered auto, any person or organization other than 1. and 2. above but only with respect to legal responsibility for acts or omissions of you or any family member for whom coverage is afforded under this Part A. This provision applies only if the person or organization does not own or hire the auto or trailer.

SUPPLEMENTARY PAYMENTS

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

1. Up to $100 for the cost of bail bonds required because of traffic law violations resulting from an auto accident that results in bodily injury or property damage covered under this policy.

2. Premiums on appeal bonds and bonds to release attachments in any suit we defend and we choose to appeal.

3. For damages covered under this policy, interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.

4. Other reasonable expenses incurred at our request.

5. Reasonable loss of wages, up to $50 per day, but not other income, because of attendance at hearings or trials at our request.

6. Reasonable expenses for emergency first aid you administer to others at the scene of an accident involving any auto covered by this policy, up to $50.

EXCLUSIONS

A. Coverage under this Part A, including our duty to defend, does not apply to:

1. Bodily injury or property damage caused by an intentional act of an insured or at the direction of an insured.

2. Property damage to property owned or being transported by an insured.

3. Property damage to property:
   a) rented to;
   b) used by; or
   c) in the care custody, control of;

   an insured. This exclusion does not apply to a rented residence or rented garage.
4. **Bodily injury** to an employee or fellow employee of an **insured** person arising out of or within the course of employment. This exclusion does not apply to **bodily injury** to a domestic employee unless workers’ compensation, disability benefits, or similar laws are required or available for that domestic employee.

5. Liability arising out of the ownership or operation of an **auto** while it is being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, pizza, or any other product. This exclusion does not apply to a share-the-expense car pool.

6. Any person while employed or otherwise engaged in the **business** of:
   a) selling;  
   b) repairing;  
   c) servicing;  
   d) storing;  
   e) parking;  
   f) road testing;  
   g) delivering; or  
   h) leasing
   vehicles designed for use mainly on public highways.

7. Maintaining or using any **auto** while that person is employed or otherwise engaged in any **business** (other than farming or ranching) not described in Exclusions 5 and 6. If a **business** use surcharge is noted on the Declarations for an **auto** shown on the Declarations, this exclusion does not apply to the ownership, maintenance or use of that **auto** by:
   a) you;  
   b) any **family member**; or  
   c) any partner, agent or employee of you or any **family member**.

8. Any person using an **auto** without or beyond the scope of the **owner’s** express or implied permission.

9. **Bodily injury** or **property damage** for which any person:
   a) is an **insured** under a nuclear energy liability policy; or  
   b) would be an **insured** under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

   For the purpose of this exclusion, a nuclear energy liability policy means a policy issued by any of the following or their successors:
   1. Nuclear Energy Liability Insurance Association;  
   2. Mutual Atomic Energy Liability Underwriters; or  

10. **Bodily injury** or **property damage** arising out of any person’s liability for the ownership, maintenance or operation of **your covered auto** when it:
    a) is being rented or leased to others; or  
    b) has been sold to another; or  
    c) is under a conditional sales agreement by you to another.
11. **Bodily injury or property damage** arising out of the operation of farm or ranch machinery.

12. **Bodily injury or property damage** arising out of the ownership or maintenance of an auto while it is being operated in or while in practice or preparation for any race event, hill climb, demonstration, speed contest or performance contest regardless of whether such event is prearranged or organized.

13. **Bodily injury or property damage** arising out of any liability assumed by an insured under any contract or agreement.

14. **Bodily injury or property damage** for which the United States Government is held responsible under the Federal Tort Claims Act.

15. **Bodily injury or property damage** arising out of the ownership, maintenance or use of an auto while it is being used as a residence or premises.

16. **Bodily injury** resulting from the discharge of any firearm or weapon in connection with the ownership, maintenance or use of any auto.

17. **Bodily injury to you or a family member.**

18. **Bodily injury or property damage** while you or any family member is occupying any auto:
   a) being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
   b) used or operated in an attempt to flee a law enforcement agent;
   and you or the family member is a willing participant in such activity listed in a) or b) above.

19. **Bodily injury or property damage** arising out of the ownership, maintenance, or use of:
   a) a motorcycle or any motorized vehicle having fewer than four wheels or more than six wheels; or
   b) an all-terrain vehicle regardless of the number of wheels it has; or
   c) any self-propelled vehicle not licensed for use on public roads; or
   d) any vehicle weighing in excess of 10,000 pounds.

20. **Bodily injury or property damage** resulting while your covered auto is being used, operated or driven by an individual who you or the family member know or have reason to know:
   a) is under the minimum age to obtain a driver’s license; or
   b) does not have a valid driver’s license or learners permit; or
   c) has a suspended driver’s license; or
   d) has a revoked driver’s license.

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

1. Any auto, other than your covered auto, which is
2. Any auto, other than your covered auto, which is:
   a) owned by any family member; or
   b) furnished or available for the regular use of any family member.

**LIMIT OF LIABILITY**

The limit of liability shown on the Declarations Page for each person for Bodily Injury Liability Coverage is our maximum limit of liability for all damages for bodily injury, sustained by any one person in any one auto accident. This includes all derivative claims arising out of said bodily injury which includes, but is not limited to, damages for care, loss of service or death, loss of consortium, loss of society or companionship. Subject to this limit for each person, the limit of liability shown in the Declarations Page for each accident for Bodily Injury Liability Coverage is our maximum limit of liability for all damages for bodily injury resulting from any one auto accident. The limit of liability shown in the Declarations Page for each accident for Property Damage Liability Coverage is our maximum limit of liability for all damages to all property resulting from any one auto accident. This is the most we will pay under Bodily Injury Liability Coverage or Property Damage Liability Coverage, whichever is applicable, as a result of any one auto accident regardless of the number of:

1. Insureds;
2. Claims made;
3. Autos or premiums shown in the Declarations Page;
4. Autos involved in the auto accident;
5. Premiums paid; or

Any amount payable under this coverage to or for an injured person will be reduced by any payment made to that person under Part B - Medical Payments Coverage and Part C - Uninsured/Underinsured Motorists Coverage of this policy.

**OUT OF STATE COVERAGE**

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

If the state or province has:

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

When this policy is certified as proof of financial responsibility, this policy will comply with the law to the extent required. You must reimburse us if we make a payment that we would not have made if this policy was not certified as proof of financial responsibility.

OTHER INSURANCE

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

PART B > MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

Subject to the limit of liability shown in the Declarations, if you pay a premium for medical payments coverage, we will pay reasonable expenses incurred for necessary medical and funeral services because of bodily injury:

1. Caused by an auto accident, and
2. Sustained by an insured.

We will pay only those medical expenses incurred within one (1) year from the date of the accident.

“Insured” as used in Part B means:

1. You or any family member:
   a) while occupying your covered auto or a non-owned auto; or
   b) as a pedestrian when struck by an auto designed for use mainly on public roads or a trailer of any type.

EXCLUSIONS

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

1. Arising out of the ownership or operation of an auto while it is being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, pizza, or any other product. This exclusion does not apply to a share-the-expense car pool.
2. Sustained while occupying any auto located for use as a residence or premises.
3. Occurring during the course of employment if workers’ compensation benefits are required or available for the bodily injury.
4. Sustained while occupying any auto (other than your covered auto) which is:
   a) owned by you; or
   b) furnished or available for your regular use.
5. Sustained while occupying any auto (other than your covered auto) which is:
   a) owned by any family member; or
   b) furnished or available for the regular use of any family member.

However, this Exclusion 5. does not apply to you.
6. Sustained while **occupying** any **auto** being used without or beyond the scope of the owner's express or implied permission.

7. Resulting from the maintenance or use of any **auto** not **owned** by, or furnished for the regular use of, **you** or any **family member**, while that person is engaged in the **business** of:
   a) selling;   e) parking;
   b) repairing;  f) delivering;
   c) servicing;  g) road testing; or
   d) storing;  h) leasing
vehicles designed for use mainly on public highways.

8. Resulting from the maintenance or use of any **auto** not **owned** by, or furnished for the regular use of, **you** or any **family member** while that person is employed or otherwise engaged in any **business** not described in Exclusion 7. If a **business** use surcharge is noted in the Declarations for an **auto** shown in the Declarations, this exclusion does not apply:
   a) to **you** or any **family member**; or
   b) if the **bodily injury** results from the operation of a private passenger **auto** or **trailer** by **you**.

9. Caused by or as a consequence of:
   a) war (declared or undeclared);
   b) civil war;
   c) insurrection;
   d) rebellion or revolution;
   e) radioactive contamination; or
   f) nuclear reaction or radiation, whether controlled or uncontrolled or however caused.

10. Sustained while **occupying**:
    a) a motorcycle or any motorized vehicle having fewer than four wheels or more than six; or
    b) an all-terrain vehicle regardless of the number of wheels it has; or
    c) any self-propelled vehicle not licensed for use on public roads; or
    d) any vehicle weighing in excess of 10,000 pounds.

11. Sustained while **you** are or any **family member** is **occupying** any **auto**:
    a) being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
    b) used or operated in an attempt to flee a law enforcement agent;
and **you** or the **family member** are a willing participant in such activity listed in a) and b) above.
12. Resulting while you or any family member are occupying any auto being used, operated or driven, by an individual who you or the family member know or have reason to know:
   a) is under the minimum age to obtain a driver’s license; or
   b) does not have a valid driver’s license or learner’s permit; or
   c) has a suspended driver’s license; or
   d) has a revoked driver’s license.

13. Resulting from ownership, maintenance or use of an auto while it is being operated in or while in practice or preparation for any race, hill climb, demonstration, speed contest or performance contest regardless of whether such event is prearranged or organized.

14. For whom the United States Government or any of its military services are required to provide similar services and/or benefits.

15. Sustained by any person while a pedestrian, other than you or a family member.

LIMIT OF LIABILITY
The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident regardless of the number of:
1. Claims made;
2. Autos or premiums shown in the Declarations;
3. Autos involved in the auto accident;
4. Insureds;
5. Lawsuits brought; or
6. Premiums paid.

Any amounts otherwise payable for expenses under this coverage shall be reduced by any amounts paid or payable for the same expenses under any Auto Liability, Personal Injury Protection Coverage or Uninsured/Underinsured Motorists Coverage provided by any policy.

OTHER INSURANCE
If there is other applicable auto medical payments insurance, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to an auto you do not own shall be excess over any other auto insurance providing payments for medical or funeral expenses. Further, any coverage afforded under this Part B shall be excess over any other Medical Payments or workers’ compensation benefits required by California law.
PART C > UNINSURED/UNDERINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

We will pay damages, except punitive or exemplary damages, or prejudgment interest, which an insured is legally entitled to recover from the owner or operator of an uninsured or underinsured motor vehicle because of bodily injury or property damage:

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

However, we will not pay property damages to your covered auto which an insured is legally entitled to recover from the owner or operator of an underinsured motor vehicle.

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

We will pay under this coverage only after the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements, and proof of payment is submitted to us.

However, if you have purchased Coverage D - Coverage for Damage to Your Auto and Coverage C - Uninsured/Underinsured Motorists Coverage, we will pay for property damage to your covered auto which an insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle as follows: Part D - Coverage for Damage to Your Auto shall pay for the covered loss and Part C - Uninsured/Underinsured Motorist Coverage shall only pay the amount of your deductible under Part D not to exceed three thousand five hundred dollars ($3,500).

Any judgment for damages arising out of a lawsuit is not binding on us unless we have consented in writing to the filing of the lawsuit.

DEFINITIONS

1. “Insured” as used in this Part C means:
   a. you or any family member.
   b. anyone who operates your covered auto within the scope of the owner’s express or implied permission.
   c. a guest occupying your covered auto when it is operated by you or one who operates your covered auto within the scope of the owner’s express or implied permission.
   d. any personal representative for damages that person is legally entitled to recover because of bodily injury to which this coverage applies sustained by a person listed in a., b. or c. above.

2. “Motor Vehicle” as used in this Part C means a land motor vehicle or a utility trailer but does not mean:
   a. a vehicle or any equipment designed or modified for use primarily off public roads, while not on public roads; or
   b. a vehicle located for use as a residence or premises.
3. “Your Covered Auto” as used in this Part C means your covered auto, as defined in the “Definitions” section of your Policy, but only if that auto is owned by you.

4. A) With respect to bodily injury, “uninsured motor vehicle” means a motor vehicle which is:
   i. not insured by a bodily injury liability bond or policy at the time of the accident;
   ii. insured by a bodily injury bond or policy at the time of the accident but the company denies coverage or is or becomes insolvent;
   iii. a “hit-and-run vehicle” whose operator or owner is unknown and which strikes an insured or an auto which the insured is occupying. The insured or someone on his or her behalf must report the accident to the police within 24 hours after the accident. Each person making a claim under this Part C must give us full details of his or her injuries and treatment.

   However, “uninsured motor vehicle” does not mean a vehicle or equipment:
   i. owned or operated by you or a family member;
   ii. owned by or operated by a self-insurer as contemplated by any financial responsibility law;
   iii. owned by a government unit or agency.

B) With respect to property damage to your covered auto, “uninsured motor vehicle” means a motor vehicle which is:
   i. not insured by a property damage liability bond or policy at the time of the accident; or
   ii. insured by a property damage liability bond or policy at the time of the accident but the company denies coverage or is or becomes insolvent;

   provided there is direct physical contact between your covered auto and the uninsured motor vehicle and the owner or operator of the uninsured motor vehicle is identified or the uninsured motor vehicle is identified by its license number, provided further that you or someone on your behalf shall have reported the accident within ten (10) business days to us.

   However, “uninsured motor vehicle” does not mean a vehicle:
   i. owned or operated by an insured person or a family member:
   ii. owned by or operated by a self-insurer as contemplated by any financial responsibility law;
   iii. owned by a governmental unit or agency;
   iv. a motor vehicle which has at least the minimum property damage liability limits required by law even when such property damage or liability limits are not sufficient to compensate for all property damage caused by the owner or operator of the vehicle.

5. “Underinsured Motor Vehicle” means a motor vehicle that is an insured motor vehicle but for which the sum of the limits of liability under all liability bonds,
insurance policies, and cash deposits applicable at the time of the accident is less than the applicable limits of liability for underinsured motorists coverage listed on the Declarations Page for your covered auto which is involved in this accident.

However, “underinsured motor vehicle” does not mean a vehicle:

i. owned by or operated by you or a resident of your household;
ii. owned by or operated by a self-insurer as contemplated by any financial responsibility law; or
iii. owned by a government unit or agency.

6. “Insured Motor Vehicle” is a motor vehicle that is insured under a motor vehicle liability insurance policy, automobile liability insurance policy, self-insurer, or for which a cash deposit or bond has been posted to satisfy a financial responsibility law.

EXCLUSIONS
This coverage does not apply:

1. To bodily injury sustained by a person while occupying an auto owned by you or a family member for which insurance is not afforded under Part A- Liability Coverage, or through being struck by that auto.

2. To bodily injury sustained by a person if that person or the legal representative of that person makes a settlement or prosecutes any action to judgment without our written consent.

3. To bodily injury arising out of the ownership or operation of an auto while it is being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, pizza, or any other product. This exclusion does not apply to a share-the-expense car pool.

4. To a claim for loss of use of your covered auto.

5. To loss or damage to personal property contained within your covered auto.

6. For the benefit of any insurer or self-insurer under any workers’ compensation disability benefits, or other similar law of the United States of America or any state or any political subdivision thereof.

7. To accidents occurring outside any state, territory, or possession of the United States and any province or territory of Canada, or while an auto is being transported between their ports.

8. For the benefit of the United States or any of its military services or agencies.

9. To bodily injury sustained while using or occupying any auto without the express or implied permission of the owner.

LIMIT OF LIABILITY
A. With respect to bodily injury, regardless of the number of your covered autos, separate premiums paid, insureds, claims made, vehicles involved, or lawsuits brought, we will pay the limits of liability shown in the Declarations subject to the following:
1. The limit for “each person” is the maximum we shall pay for bodily injury sustained by any one person in any one accident, and includes all derivative claims which include but are not limited to loss of society, loss of companionship, loss of services, and loss of consortium.

2. Subject to the bodily injury limit for “each person,” the limit for “each accident” is the maximum we shall pay for bodily injury sustained by two or more persons in any one accident and includes all derivative claims which include but are not limited to loss of society, loss of companionship, loss of services, and loss of consortium.

Any amounts payable under this Part C shall be reduced by all sums:

1. Paid or payable for or on behalf of any persons or organizations who may be legally responsible, including but not limited to, all sums paid under Part A - Liability Coverage;
2. Paid or payable under Part B - Medical Payments;
3. Paid or payable under any valid and collectible automobile medical payment coverage, personal injury protection coverage, workers’ compensation coverage or disability benefits law.

In no event shall the limit of liability for two or more motor vehicles or two or more policies be added together, combined or stacked to determine the limit of insurance coverage available to an insured.

B. With respect to property damage, the limit of liability is $3,500 for loss or damage to your covered auto.

Any amount payable for property damage under this Part C - Uninsured/Underinsured Motorists Coverage shall be reduced by all sums paid or payable by the owner or operator of an uninsured motor vehicle or by any organization or other person which may be jointly or severally liable for such damages.

If you have purchased Coverage D - Collision, we will not pay damages for property damage to your covered auto under this Part, but your Coverage D - Collision Deductible shall apply only to the extent that it exceeds the lesser of the damages to which you are legally entitled, or $3,500.

OTHER INSURANCE

If there is other applicable uninsured or underinsured motorists coverage, we will pay only our share of the damages. Our share is the proportion that our limit of liability bears to the total of all available limits. Any insurance we provide shall be excess over any other uninsured or underinsured motors coverage, except for bodily injury to you or a family member when occupying your covered auto.

We will not pay for any damages which would duplicate any payment made for damages under other insurance.

If any insured person is injured as a result of an auto accident while not occupying a motor vehicle, the coverage provided under this policy shall be excess to any uninsured or underinsured motorists coverage provided by a policy under which that insured person is a named insured. If you are injured as a result of an auto accident while not occupying a motor vehicle, and are also a named insured under any other
policy, our coverage will pay the proportionate share that our limits bear to the total available uninsured or underinsured motorists coverage limits.

TRUST AGREEMENT

If we pay an insured under this Part C - Uninsured/Underinsured Motorists Coverage:

1. We are entitled to recover from the insured an amount equal to such payment if there is a legal settlement made in his or her behalf against the person or organization legally responsible for the bodily injury and/or property damage;

2. The insured must hold in trust for us all rights to recover money which the insured has against the person or organization legally responsible for bodily injury and/or property damage;

3. The insured must do everything proper to secure our rights of recovery and do nothing to prejudice these rights; and

4. If we ask the insured in writing, the insured shall take necessary or appropriate action, through a representative designated by us, to recover payment as damages from the responsible person or organization. If there is a recovery, then we shall be reimbursed out of the recovery for expenses, costs and attorney’s fees incurred in connection with this recovery;

5. The insured must execute and deliver to us any legal instruments or papers necessary to secure the rights and obligations of the insured and us as established here.

ARBITRATION

If we and an insured disagree (1) whether the insured is legally entitled to recover damages from the owner or operator of an uninsured or underinsured motor vehicle; or (2) as to the amount the insured is legally entitled to recover from the owner or operator of an uninsured or underinsured motor vehicle, then either party may propose arbitration. Both we and the insured must agree to arbitration.

The arbitration shall be conducted by a single neutral arbitrator. In the event an arbitrator cannot be agreed upon, a judge of a court having jurisdiction will appoint the arbitrator.

In the event arbitration is agreed upon, the costs of the arbitrator will be shared equally by us and the insured. All other expenses will be paid by the party which incurs the expense.

The arbitration will take place in the county where the insured lives unless both parties agree otherwise. Local court rules of procedure and evidence will apply. The arbitrator shall have no authority to award an amount in excess of the limit of liability. The decision of the arbitrator is binding only if the amount does not exceed the minimum limit of bodily injury liability coverage specified by the financial responsibility laws of the state listed on your application as your residence. Either party may demand the right to trial if in disagreement with the decision of the arbitrator. This demand must be made in writing within sixty (60) days of the arbitrator’s decision. If this demand is not made, the amount of damages awarded by the arbitrator will be binding.
Pursuant to section 11580.26 of the California Insurance Code, arbitration proceedings for uninsured motorist property damage coverage shall be instituted within one (1) year from the date of the accident.

PART D > COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT - COLLISION

If you pay a premium for Collision coverage, we will pay for direct and accidental loss to your covered auto when it collides with another object or overturns, subject to the Limit of Liability.

INSURING AGREEMENT - OTHER THAN COLLISION

If you pay a premium for Other Than Collision Coverage, we will pay for loss to your covered auto, subject to the Limit of Liability.

Our payment will be reduced by any deductible shown on the Declarations Page.

“Collision” means the upset of your covered auto or its impact with another vehicle or object.

Loss caused by the following is considered other than collision:

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

“Your covered auto” as used in this Part means:

1. Any auto shown in the Declarations Page.
2. Any of the following types of vehicles on the date you became the owner, but only if you have asked us to insure it as set forth below:
   a) a private passenger auto or station wagon; or
   b) a pickup truck or private passenger van that:
      (1) is not used for the delivery or transportation of goods and materials unless such use is:
         a) incidental to your business of installing, maintaining or repairing furnishings or equipment; or
         b) for farming or ranching; and
      (2) has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds.

If the auto you acquire replaces one shown in the Declarations, it will have the same coverage as the auto it replaced, if you:
a) become the **owner** of the **auto** during the policy period; and
b) ask us to insure it within 30 days after you become the **owner**; and
c) no other insurance policy provides coverage for the **auto**.

If the **auto you** acquire is in addition to any shown in the Declarations, it will have the broadest coverage **we** now provide for any **auto** shown in the Declarations, if **you**:

a) become the **owner** of the **auto** during the policy period; and
b) ask us to insure it within 30 days after **you** become the **owner**; and
c) **we** insure all **autos** that **you** own; and
d) no other insurance policy provides coverage for the **auto**.

If **you** do not notify us within the time limits noted above, no coverage exists for the newly acquired **auto** or the replacement **auto**.

**TOWING AND STORAGE CHARGES**

In addition, after an **auto accident** for which this coverage is provided, **we** will pay reasonable towing and storage charges **you** or any **family member** are legally responsible for in transporting and storing **your covered auto** up to a maximum of $250.

**TRANSPORTATION EXPENSES**

In addition, **we** will pay, without application of a deductible, up to $20 per day, to a maximum of $600 for transportation expenses incurred by **you** in the event of the total theft of **your covered auto**. This applies only if the Declarations indicate that **Other Than Collision** is provided for that **auto**.

**We** will pay only expenses incurred during the period:

1. Beginning 48 hours after the theft; and
2. Ending when **your covered auto** is returned to use or **we** offer to pay or pay for its **loss**.

**EXCLUSIONS**

**We** will not pay for:

1. **Loss** to **your covered auto** while it is being used to carry persons or property for compensation or a fee, including but not limited to, delivery of magazines, newspapers, food, pizza, or any other product. This exclusion does not apply to a share-the-expense car pool.
2. Damage due and confined to:
   a) wear and tear;
   b) freezing;
   c) mechanical or electrical breakdown or failure; or
   d) road damage to tires.

This exclusion does not apply if the damage results from the total theft of **your covered auto**.
3. **Loss** due to a consequence of:
   a) radioactive contamination;
   b) war (declared or undeclared);
   c) civil war;
   d) insurrection; or
   e) rebellion or revolution.

4. **Loss** to:
   a) electronic equipment designed solely for the reproduction of sound, including:
      (1) radios and stereos;
      (2) tape decks; or
      (3) compact disc players.
      This does not apply to such equipment which is permanently installed in **your covered auto** in the opening of the dash or console specified by the manufacturer of the **auto** for the installation of such equipment.
   b) any other electronic equipment that receives or transmits audio, visual, or data signals, including:
      (1) citizens band radios;
      (2) telephones;
      (3) two-way mobile radios;
      (4) scanning monitor receivers;
      (5) television monitor receivers;
      (6) video cassette recorders;
      (7) audio cassette recorders;
      (8) personal computers; or
      (9) equalizers.
   c) tapes, records, discs, or other media used with equipment described in a) or b) above.
   d) any other accessories used with equipment described in a) or b) above.

5. **Loss** to equipment designed or used for the detection of radar.

6. **Loss** to a **trailer** which is not shown in the Declarations.

7. With respect to any **trailer** shown in the Declarations, **loss** to:
   a) awnings or cabanas;
   b) TV antennae; or
   c) equipment designed to create additional living facilities:

8. Total **loss** to **your covered auto** due to forfeiture ordered by the courts or destruction or confiscation by governmental or civil authorities.
9. Loss to your covered auto while employed or otherwise engaged in the business of:
   a) selling;   e) parking;
   b) repairing;  f) road testing;
   c) servicing;  g) delivering autos; or
   d) storing;  h) leasing
vehicles designed for use mainly on public highways.

10. Loss to your covered auto while maintained or used by any person employed or otherwise engaged in any business (other than farming or ranching) not described in Exclusion 9. If a business use surcharge is noted in the Declarations for an auto shown in the Declarations, this exclusion does not apply to the ownership, maintenance or use of that auto by:
   a) you;
   b) any family member; or
   c) any partner, agent or employee of you or any family member.

11. Loss to any custom furnishings or equipment which is attached to, or located in, on or upon your covered auto, including, but not limited to:
   a) special carpeting and insulation, furniture or bars;
   b) facilities for cooking and sleeping;
   c) height extending roofs, camper bodies, toppers or ladders;
   d) custom windows, murals, paintings or other decals or graphics;
   e) bedliners, tool boxes, utility boxes and fifth wheel conversions;
   f) side exhausts, headers, tachometers, pressure and temperature gauges;
   g) winches, roll bars and light bars;
   h) custom or special wheels or tires;
   i) body or suspension alterations or any equipment not installed by the original manufacturers which mechanically or structurally changes your covered auto and results in an increase in performance or change in appearance;
   j) loss to auto covers or front end covers or protectors.

12. Loss to your covered auto while you or any family member or anyone driving with permission from you or any family member:
   a) is using an auto in any unlawful activity (other than a traffic violation); or
   b) using or operating an auto to flee any law enforcement agent.

13. Loss to your covered auto which occurs while being operated in, or while in practice or preparation for any race, hill climb, demonstration, speed contest or performance contest regardless of whether such event is prearranged or organized.

14. Loss to your covered auto while it is:
   a) being rented or leased to another; or
b) sold to another; or
c) under any conditional sales agreement by you to another.

15. **Loss** due to theft, conversion, secretion or fraudulent disposal of covered property by **you** or any **family member**.

16. **Loss** due to and resulting from intentional acts committed by **you** or any **family member**.

17. **Loss** resulting while **your covered auto** is being used, operated or driven with the permission from **you** or any **family member** by an individual who **you** or any **family member** know:
   a) is under the minimum age to obtain a driver’s license;
   b) does not have a valid driver’s license;
   c) has a suspended driver’s license; or
   d) has a revoked driver’s license.

18. **Loss** arising out of or due to the use of **your covered auto** for the commercial transport of toxic or flammable liquids and/or chemicals.

19. **Loss** to **your covered auto** or its equipment resulting from recreational, off road use when the vehicle is not specifically designed and recommended by the original manufacturer for such use.

20. Any theft or larceny of **your covered auto** or its equipment where there is no visible sign of forced entry into the vehicle.

21. **Loss** to wearing apparel, tools or personal effects.

22. **Loss** to **your covered auto** for diminution in value.

23. **Loss** to **your covered auto** while being operated by any person, with your or any listed driver’s permission, and who is under 25 years of age and not listed as a driver in the Declarations or in the policy. This exclusion does not apply if the operator of **your covered auto** is outside the scope of permission granted by the named **insured**.

**LIMIT OF LIABILITY**

A. Our limit of liability for **loss** will be the lesser of the:
   1. actual cash value of the stolen or damaged property;
   2. amount necessary to repair or replace the property with other property of like kind and quality less deduction for any applicable depreciation; or
   3. the Stated Amount shown in the Schedule or in the Declarations, if any.

However, if the **loss** is to a vehicle **you** do not own and that vehicle is a **trailer**, the applicable Limit of Liability will be $500.

B. 1. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total **loss**.
   2. If a repair or replacement results in better than like kind or quality, **we** will not pay for the amount of the betterment.
C. Payments for loss covered under Collision, Other Than Collision, and Custom Parts or Equipment are subject the following provisions:

1. no more than one (1) deductible shall be applied to any one (1) covered loss;
2. if Stated Amount Vehicle Coverage is elected by you, that stated amount limit of liability will be the total limit of liability applicable for loss to your covered vehicle, including its custom parts and equipment.
3. the maximum payment for all electronic equipment, designed for the reproduction of sound will be $500, unless additional equipment coverage has been purchased. This applies to both Collision and Other Than Collision losses.

D. If more than one (1) auto is shown on your Declarations Page, coverage will be provided as specified in the Declarations Page as to each auto.

PROOF OF LOSS
When we request it, you must file a written proof of loss within 60 days from the date of our request or there will be no coverage for the loss claimed under Part D.

PAYMENT OF LOSS
We may pay for the loss in money or repair or replace the damaged or stolen property. We may settle any loss with you or the owner or lienholder of the property. We may, at our expense, return any stolen property to:

1. You; or
2. The address shown on the Declarations Page of this policy.

If we return stolen property, we will pay for any direct physical damage to your covered auto or its equipment resulting from the theft. We may keep all or part of the property at an agreed or appraised value. You do not have the right to abandon salvage to us.

In the repair of your covered auto under the physical damage coverage provisions of this policy, we may require or specify the use of automobile parts not made by the original manufacturer. These parts are required to be at least equal in terms of fit, quality, performance and warranty to the original manufacturer parts they replace.

NO BENEFIT TO BAILEE
This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

LOSS PAYEE AGREEMENT
Payment for damage to your covered auto will be made according to your interest and the interest for any Loss Payee or lienholder shown on the Declarations Page or designated by you. Payment may be made to both jointly, or separately, at our discretion.

Where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of you or a family member, the Loss Payee or lienholder’s interest will not be protected.
We will be entitled to the Loss Payee or lienholder’s rights of recovery, to the extent of our payment to the Loss Payee or lienholder.

OTHER INSURANCE

If other insurance also covers the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. Any applicable deductible of this policy will be taken in a proportionate share based on the applicable deductibles of each policy. However, any insurance we provide for an auto you do not own shall be excess over any other insurance.

APPRAISAL

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

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

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

PART E > DUTIES AFTER AN ACCIDENT OR LOSS - FILING A CLAIM

GENERAL DUTIES

We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses. Failure to give notice as required herein may render this policy voidable.

A person seeking coverage must:

1. Cooperate with us in the investigation, settlement or defense of any claim or lawsuit.
2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
3. Submit, as often as we reasonably require:
   a) to physical exams by physicians we select. We will pay for these exams.
   b) to examinations under oath outside the presence of any person other than your attorney.
4. Authorize us to obtain:
   a) medical reports; and
   b) other pertinent records.
5. Submit a sworn statement as proof of loss as required by us.

ADDITIONAL DUTIES FOR UNINSURED/UNDERINSURED MOTORISTS COVERAGE

A person seeking Uninsured/Underinsured Motorists Coverage must also in addition to the duties stated above:

1. Notify the police as soon as possible of any accident.
2. Notify the police within 24 hours of an **accident** if a hit-and-run or unknown driver is involved and file with **us** within thirty (30) days thereafter a statement under oath that **you** or a **family member** has a cause of action arising out of the **accident** for damages against a person or persons whose identify is unascertainable and set forth facts in support, thereof.

3. Serve a copy of any legal action and all pleadings on **us** as required by law.

**ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO**

A person seeking Coverage for Damage to Your Auto must also in addition to the duties stated above:

1. Notify the police within 24 hours after the discovery of the **loss**, if **your covered auto** is stolen or vandalized.

2. Take reasonable steps after **loss** to protect **your covered auto** and its equipment from further **loss**. **We** will pay reasonable expenses incurred to do this.

3. Permit **us** to inspect and appraise the damaged property before its repair or disposal.

Failure to comply with any of the above duties under this Part E may result in denial of coverage and relieve **us** of all duties to investigate, settle, defend, pay any judgment or otherwise honor any claims made against an **insured**.

**PART F > GENERAL PROVISIONS**

**BANKRUPTCY**

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

**CHANGES**

The premium for each of **your covered autos** is based on information **we** have received from **you** or other sources. **You** agree:

1. That if any of this information material to the development of the policy premium is incorrect, incomplete or changed, **we** may adjust the premium accordingly during the policy period.

2. To cooperate with **us** in determining if this information is correct and complete, and to advise **us** of any changes.

Any adjustment of **your** premium will be made using **our** rules in effect at the time of the change. Premium adjustments may be made as a result of a change in:

1. **Autos** insured by the policy, including changes in use.

2. **Drivers**.

3. **Coverages** or **coverage limits**.

4. **Rating territory**; or

5. **Eligibility** for discounts or other premium credits.

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

LEGAL ACTION AGAINST US

No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Part A, no legal action may be brought against us unless:

1. we agree in writing that the insured has an obligation to pay; or
2. the amount of that obligation has been finally determined by judgment after trial.

No person or organization has any right under this policy to bring legal action against us or to make us a party to any legal proceeding to determine the liability of the insured.

OUR RIGHT TO RECOVER PAYMENT

A. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall:

1. do whatever is necessary to enable us to exercise our rights; and
2. do nothing after loss to prejudice them; and
3. deliver to us any legal papers relating to that recovery.

B. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:

1. hold in trust for us the proceeds of the recovery; and
2. reimburse us to the extent of our payment.

POLICY PERIOD AND TERRITORY

This policy applies only to covered losses resulting from auto accidents or damage to your covered auto which occur:

1. During the policy period as shown in the Declarations; and
2. Within the policy territory.

The policy territory is:

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

This policy also applies to loss to, or accidents involving, your covered auto while being transported between their ports.

TERMINATION - CANCELLATION, NONRENEWAL, AUTOMATIC TERMINATION, OTHER TERMINATION PROVISIONS

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

1. The named insured shown in the Declarations may cancel by:
   a. returning this policy to us; or
b. giving us advance written notice of the date cancellation is to take effect.

2. **We** may cancel by mailing to the named insured shown in the Declarations at the address shown in this policy:
   a. at least 10 days notice:
      1. if cancellation is for nonpayment of premium; or
      2. if notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy.
   b. at least 20 days notice in all other cases.
   c. a notice that your policy will remain canceled back to the effective cancellation date if you attempt payment by a check that is dishonored.

3. After this policy is in effect for 60 days or more, or if this is a renewal or continuation policy, we may cancel only:
   a. for nonpayment of premium; or
   b. if the driver’s license or motor vehicle registration of the named insured or any other operator who resides in the same household or customarily operates an automobile insured under this policy has been under suspension or revocation during the policy period or immediately preceding policy period; or
   c. discovery of fraud or material misrepresentation by you in obtaining this insurance or pursuing a claim against the policy.

Proof of mailing a notice of cancellation shall be proof of cancellation.

**Nonrenewal.** If we decide not to renew or continue this policy, we will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period. If the policy period is other than one year, we will have the right not to renew or continue it only at each anniversary of its original effective date.

**Automatic Termination.** If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer. If you obtain other insurance on your covered auto, any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance.

If you attempt to make a downpayment or a full policy payment with a check that is dishonored, your policy will be voided back to the inception date. No coverages will exist.

**Other Termination Provisions; Premium Refunds**

1. If the law in effect at the time this policy is issued, renewed or continued:
   a. requires a longer notice period;
   b. requires a special form of or procedure for giving notice; or
c. modifies any of the stated termination reasons; we will comply with those requirements.

2. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

3. If this policy is canceled or amended, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals in effect at the time of cancellation or amendment. However, making or offering to make the refund is not a condition of cancellation. We reserve the right to apply any refundable unearned premium to any outstanding premium balance due at the time the refund is generated.

4. The effective date of cancellation stated in the notice shall become the end of the policy period.

TRANSFER OF YOUR INTEREST IN THIS POLICY

A. Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:

1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations.

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

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

TWO OR MORE AUTO POLICIES

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

MISREPRESENTATION AND FRAUD

We do not provide coverage for you or any person who conceals or misrepresents any fact material to this insurance or who makes false statements or engages in fraudulent conduct relating to this insurance, either before or after a loss. Any material misrepresentation made in the application for this insurance shall give us the absolute right to void and nullify this policy.

CONFORMITY TO STATE STATUTES

The coverages provided in Part A and Part C of this policy pertaining to Liability and Uninsured/Underinsured Motorists Coverages are intended to be in full conformity with the California law applying to such coverages. If any provision of such coverages conflicts with such law, such provision is changed to comply with such law.
IN WITNESS WHEREOF, we have caused this policy to be executed and attested.

Larry Pentis
President

Whitney P. Ames
Secretary
## FORMS SECTION

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TOWING AND LABOR COSTS COVERAGE

Coverage is provided under this endorsement only when noted on the Declarations page of this policy. All the provisions of this policy, including all amendments thereto, apply to the coverage provided by this endorsement.

INSURING AGREEMENT

If you pay a premium for towing and labor costs coverage, we will pay up to the amount shown in the Declarations for towing and labor costs incurred each time your covered auto is disabled provided that:

1) The labor must be performed at the place of disablement; and
2) the disablement does not occur at your residence.

LOSS PAYABLE CLAUSE

Loss or damage shall be paid, subject to all the terms of this policy, as interest may appear, to the named insured, the loss payee shown in the Declarations of this policy, both jointly, or separately, at our discretion.

Where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of you or a family member, the Loss Payee or lienholder’s interest will not be protected.

However, we reserve the right to cancel or nonrenew the policy as permitted by policy terms and the cancellation or nonrenewal shall terminate this agreement as to the loss payee’s interest. We will give the same advance notice of cancellation or nonrenewal to the loss payee as we give to the named insured shown in the Declarations. Proof of mailing shall be sufficient proof of notice.

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

RENTAL REIMBURSEMENT COVERAGE

If you pay a premium for Rental Reimbursement Coverage, we will reimburse you for rental charges incurred by you when you rent an auto from a rental agency or vehicle repair facility due to a loss to your covered auto. Rental charges will be reimbursed beginning:
1. When your covered auto cannot be driven due to a loss; or
2. If your covered auto can be driven, when you deliver your covered auto to a vehicle repair facility for repairs due to the loss; and ending when your covered auto has been repaired, replaced, or if your covered auto is deemed by us to be a total loss, twenty-four (24) hours after we make an offer to pay the actual cash value of your covered auto.

The maximum amount we will pay for rental reimbursement coverage is shown in the Declarations.

You must provide us written proof of your rental charges from a rental car agency. Duplicate recovery for identical elements of damages is not permitted under this policy.

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CA 406 - ED. 12/96

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE.

ADDITIONAL INSURED LESSOR

Provisions and exclusions that apply to this policy, including all amendments thereto, shall also apply to this endorsement except as changed by this endorsement.

INSURING AGREEMENT

Any coverage afforded under Part A - Liability Coverage of this policy for your covered auto shall also apply to the lessor named in the Declarations of this policy as an additional insured.

This insurance is subject to the following additional provisions:

1. We will pay damages except punitive damages, exemplary damages, and prejudgment interest for which the lessor becomes legally responsible only if said damages arise out of acts or omissions of:
   a. You or any family member, or
   b. Any other person using, maintaining or operating your covered auto with the named insured’s permission and within the scope of such except the lessor or any employee or agent of the lessor using your covered auto.

2. If we cancel or nonrenew this policy, notice provided under this policy will also be mailed to the lessor. Proof of mailing shall be sufficient proof of notice.

3. The lessor is not responsible for payment of premiums.

4. The designation of the lessor as an additional insured shall not operate to increase our Limits of Liability under this policy.
This endorsement does not apply unless this form number is listed under the forms section on the declarations page.

**NAMED OPERATOR - NON-OWNER COVERAGE**

This coverage is subject to all of the provisions of this policy, including all amendments thereto. With respect to individuals and coverages described in the Declarations, coverage is provided where a premium and a limit of liability is shown for the coverage in the Declarations.

The general Definitions section is amended as follows:

Throughout this policy, “you” and “your” refer to the “named insured” shown in the Declarations.

“Your covered auto” means: any of the following types of autos that are not owned by you, a family member, or a spouse of the named insured even if not residing in the same household as the named insured:

1. A private passenger auto or station wagon; or
2. A pickup truck or private passenger van that:
   a. is not used for the delivery or transportation of goods and materials unless such use is:
      1. incidental to your business of installing, maintaining or repairing furnishings or equipment; or
      2. for farming or ranching; and
   b. has a Gross Vehicle Weight (GVW) as specified by the manufacturer of less than 10,000 pounds.

**PART A - LIABILITY COVERAGE**

Part A - Liability Coverage is amended as follows:

“Insured” as used in this Part A means:

1. The person shown as the named insured in the Declarations page, when operating your covered auto or a non-owned auto with the permission of the owner; and
2. Any person or organization with respect only to vicarious liability for an accident arising out of the use of your covered auto or non-owned auto by you or with the express permission of the owner.

**PART B - MEDICAL PAYMENTS COVERAGE**

Insuring Agreement

If you pay a premium for Medical Payments coverage and it is shown in the Declarations page, any insurance we provide shall be excess over any other similar insurance or self-insurance.

A. The definition of “Insured” as used in this Part B is amended as follows:

“Insured” as used in this Part B means:

1. You while occupying:
   a. your covered auto; or
   b. any other auto operated by you.
B. The Exclusions section as used in Part B is amended as follows:

Exclusions

1. Exclusion 4. is replaced with the following:
   4. Sustained while occupying any auto (other than your covered auto) which is owned by you.

2. Exclusion 5. is deleted.

3. Exclusion 11. is replaced with the following:
   11. Resulting while an insured is occupying any auto while:
       a. being used in any unlawful activity (other than a traffic violation); or
       b. used or operated in an attempt to flee a law enforcement agent and the insured is a willing participant in such activity listed in a. or b. above.

4. Exclusion 12. is replaced by the following:
   12. Resulting while an insured is occupying any auto being used, operated or driven, by an individual who the insured knows or has reason to know:
       a. is under the minimum age to obtain a driver’s license; or
       b. does not have a driver’s license; or
       c. has a suspended driver’s license; or
       d. has a revoked driver’s license.

PART C - UNINSURED/UNDERINSURED MOTORISTS COVERAGE

Part C is amended as follows:

Additional Definitions Used In This Part C Only:

The definition of “insured” is replaced as follows:

“Insured” means:

1. You, when occupying your covered auto with the express permission of the owner.

2. Any personal representative who is legally entitled to recover damages covered by this Part C because of bodily injury sustained by a person listed in 1 above.

Other Insurance

The Other Insurance provisions under Part A and Part B are deleted and replaced by the following:

If there is other applicable liability or auto medical payments coverage, any insurance we provide shall be excess over any other applicable insurance.

We will not pay for any damages which would duplicate any payment made for damages under other insurance.

The Other Insurance provisions under Part C are deleted and replaced by the following:

If there is other applicable Uninsured/Underinsured Motorists Coverage, any insurance we provide shall be excess over any other applicable uninsured/underinsured motorists insurance.

If any insured is injured while not occupying a motor vehicle, the coverage provided under this policy shall be excess to any uninsured/underinsured motorists coverage provided by a policy under which that insured is a named insured.
ADDITIONAL EQUIPMENT COVERAGE

Coverage is provided under this endorsement only on those **insured autos** for which Collision and Other Than Collision coverage is noted in the Declarations and only on additional equipment permanently installed in **your covered auto** which is specifically listed on the application.

All provisions of this policy, including all amendments thereto, apply to the coverage provided by this endorsement except as modified herein.

The provisions and exclusions that apply to Part D., also apply to this endorsement except as changed by this endorsement.

A. The **INSURING AGREEMENT** in Part D of this policy is replaced by the following:

**INSURING AGREEMENT**

We will pay for direct and accidental **loss** to **your covered auto** including its equipment attached thereto. In addition, we will pay for direct and accidental **loss** to additional equipment permanently installed in **your covered auto** which is specifically listed on the application and for which a specific premium is noted and paid.

B. **PART D. EXCLUSIONS.**

The exclusions that apply to PART D., also apply to this endorsement except as changed as follows:

1. Exclusion 4. and Exclusion 11. shall not apply to any additional equipment permanently installed in your covered auto which is listed on the application and for which a specific premium is noted and paid.

C. **LIMIT OF LIABILITY**

The **LIMIT OF LIABILITY** section under PART D. shall be replaced as follows:

**LIMIT OF LIABILITY**

1. **Our** limit of liability for **loss** will be the lesser of the:
   
   a. **Actual cash value** of the stolen or damaged property; or
   
   b. Amount necessary to repair or replace the property with other property of like kind and quality; or
   
   c. Stated amount shown in the Schedule or Declarations.

2. **An adjustment for depreciation** and physical condition will be made in determining **actual cash value** in the event of a total loss.

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

**Our** payment for **loss** will be reduced by any applicable deductible shown in the Declarations for Collision and/or Other Than Collision coverage. The maximum amount payable is the stated amount as noted on the application for each listed additional equipment suffering **loss** less the applicable deductible.
POLLUTION EXCLUSION

Definitions

**Pollutants** means any solid, liquid, gaseous, or thermal substance, irritant, or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, toxic chemicals and waste. Waste includes, but not limited to, materials to be recycled, reconditioned or reclaimed, known or unknown to contain pollutants or result in environmental damage.

It is agreed as follows:

1. The insurance afforded by this policy does not provide coverage for you or others 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 that are, or that are contained in any property that is being transported or towed by or handled for movement into, onto or from your covered auto.

2. The insurance afforded by this policy does not provide coverage for you or others for *bodily injury* or *property damage* arising out of or resulting from the intentional or unintentional, actual, alleged, or threatened discharge, seepage, or escape of pollutants that are, or that are contained in any property that is otherwise in the course of transit by you.

3. The insurance afforded by this policy does not provide coverage for you or others 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 that are, or that are contained in any property that is being stored, disposed of, treated or processed in or upon your covered auto. This exclusion does not apply to fuel, lubricants, fluids, exhaust gases or other similar pollutants that are needed or result from the normal electrical, hydraulic, or mechanical functioning of your covered auto or its parts if:

   a. the pollutants escape, seep or are discharged, dispersed or released directly from an auto part designed by its manufacturer to hold, store, receive, or dispose of such pollutants; and

   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. The insurance afforded by this policy does not provide coverage for you or others 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** before the **pollutants** or any property in which **pollutants** are contained are moved from the place where they are accepted by **you** for movement into or onto **your covered auto**. This exclusion does not apply if the **pollutants** or any property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of **your covered auto**. This exclusion also does not apply if the discharge, dispersal, release, seepage or escape of the **pollutants** is caused by such upset, overturn or damage.

5. The insurance afforded by this policy does not provide coverage for **you** or others 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** before the **pollutants** or any property in which **pollutants** are contained are moved from **your covered auto** to the place where they are finally delivered, disposed of or abandoned by **you**. This exclusion does not apply if the **pollutants** or any property in which the **pollutants** are contained are upset, overturned or damaged as a result of the maintenance or use of **your covered auto**. This exclusion also does not apply if the discharge, dispersal, release, seepage or escape of the **pollutants** is caused by such upset, overturn or damage.

6. 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.
We know how important it is for you to stay on the move.