

ARKANSAS PERSONAL AUTO POLICY

Program Manager:

TRADERS INSURANCE CONNECTION, INC. 8916 Troost, Kansas City, MO 64131

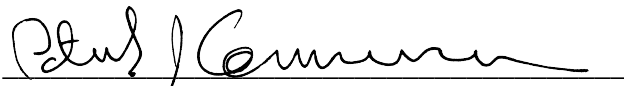
Policies Underwritten By:


TRADERS INSURANCE COMPANY
HOME OFFICE, KANSAS CITY, MISSOURI
(A Stock Company herein after called the Company)

THIS POLICY COVER TOGETHER WITH THE APPLICATION, THE AUTO POLICY FORM, DECLARATIONS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEROF, COMPLETE THIS POLICY

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION OR CONCEALS MATERIAL INFORMATION IN AN APPLIATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

In witness whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative


Secretary


President

ARKANSAS PERSONAL AUTO POLICY INDEX

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Other changes may be made to your policy by endorsement. All of the endorsements attached to your policy are listed in the Declarations. Make certain to read the endorsements listed in the declarations in addition to the Arkansas Personal Auto Policy.

ARKANSAS PERSONAL AUTO POLICY

AGREEMENT

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

DEFINITIONS

- A. Throughout this policy, “you” and “your” refer to:
1. The “named insured” shown in the Declarations; and
 2. The “named insured’s” husband or wife if a “resident” of the same household.
- B. “We”, “us” and “our” refer to the Company providing this insurance.
- C. For purposes of this policy, a private passenger type auto shall be deemed to be owned by a person if leased:
1. under a written agreement to that person; and
 2. for a continuous period of at least 6 months.
- D. “Person” means a human being.
- Other words and phrases are defined. They are in quotation marks when used.
- E. “Bodily injury” means bodily harm, sickness or disease to a person, including but not limited to death that results.
- F. “Business” includes trade, profession or occupation.
- G. “Family member” means a person who is a resident of the household of the first person shown in the Declarations and is (i) related by blood, marriage or adoption to the first person shown in the Declarations as named insured, or (ii) related by blood, marriage or adoption to the resident spouse of the first person shown in the Declarations as named insured. “Family member” includes a ward or foster child of the first person shown in the Declarations as named insured.
- H. “Relative” means a person who is a resident of your household and is related by blood, marriage or adoption to any person shown in the Declarations as named insured. “Relative” includes a ward or foster child of any person shown in the Declarations as named insured.
- I. “Occupying”, means in, getting in or getting out so long as there is physical contact with an insured vehicle.
- J. “Property damage” means physical injury to, destruction of or loss of use of tangible property.
- K. “Resident” means a person who lives with you, whether or not they are a member of your household, and includes, but is not limited to, you, and any person that is a “family member” or “relative”.
- L. “Actual Cash Value” means the fair market value of the property immediately prior to the loss, taking into consideration items such as, but not limited to, the age, mileage, options, pre-loss condition, cosmetic detriments, unrepaired damage or maintenance items, and tire tread depth as well as the value of similar items in the marketplace.
- M. “Trailer” means a vehicle designed to be pulled by a:
1. Private passenger auto; or
 2. Pickup or van.

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

- N. “Your covered auto” means:
1. Any vehicle shown in the Declarations owned by you.
 2. Any of the following types of vehicles on the date you become the owner, if you become the owner during the policy period:
 - a) a private passenger auto; or
 - b) a pickup or van that:
 - (1) has a Gross Vehicle Weight of less than 10,000 lbs.; and
 - (2) is not used for the delivery or transportation of goods and materials unless such use is for farming or ranching.

This Paragraph N.2. applies only if:

- (a) we insure all vehicles you own;
- (b) you acquire the vehicle during the policy period;
- (c) you ask us to insure the newly acquired vehicle within 30 days after you take delivery of the vehicle (failure to so ask shall cause the vehicle not to fall within the definition of “your covered auto” before or after the expiration of the 30 day period); and
- (d) no other insurance policy provides coverage for the newly acquired vehicle.

If the vehicle you acquire replaces one shown in the Declarations, such newly acquired vehicle will have the same coverage as the vehicle it replaced. If the vehicle you acquire is in addition to any vehicle shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations.

3. Any “trailer” you own.

4. Any auto or “trailer” you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
 - a) breakdown;
 - b) repair;
 - c) servicing;
 - d) loss; or
 - e) destruction

This Paragraph N.4. does not apply to Part F Coverage for Damage to Your Auto.

5. With respect to coverage for Part F Damage to Your Auto only, any vehicle provided by a duly licensed automobile dealer to you or a “family member” for use as a temporary substitute for any other vehicle described in this definition while it is out of normal use because of its breakdown, repair or servicing.
- O. “Special Equipment” means, any equipment that is not available from the manufacturer for the vehicle described in the Declarations for that make, model and model year.

PART A – LIABILITY COVERAGE

You only have those portions of this coverage that are listed in the Declarations with a premium charge and then only to the extent of the coverages and limits of liability listed therein.

INSURING AGREEMENT

- A. We will pay damages for “bodily injury” or “property damage” for which any “insured” becomes legally responsible because of an auto accident. We will investigate, settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by any means, including, but not limited to, by settlement, payment on a judgment or deposit in court. We have no duty to defend any suit or settle any claim for “bodily injury” or “property damage” not covered under this policy.

If a duly licensed automobile dealer provides a vehicle to you or a “family member” for use as a temporary substitute for any other vehicle described in the definition of “your covered auto” while it is out of normal use because of its breakdown, repair or servicing, coverage shall extend to such loaned vehicle only to the extent of the coverage, provided, if any, to the automobile being repaired or serviced.

- B. “Insured” as used in this Part means:

1. You for the ownership, maintenance or use of any auto or “trailer”.
2. Any “family member”:
 - a) Who does not own an auto:
 - (1) using “your covered auto” with your consent, if such use is within the scope of that consent;
 - (2) for the maintenance or use of any auto or “trailer” with the consent of the owner, if such use is within the scope of that consent.
 - b) Who owns an auto, but only for the use of “your covered auto” with your consent, if such use is within the scope of that consent.
3. Any person using “your covered auto” with your consent, if its use is within the scope of that consent.

SUPPLEMENTARY PAYMENTS

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

- A. Premiums or costs of bonds:

1. Up to \$250 for the cost of bail bonds required because of an accident, including related traffic law violations. The accident must result in “bodily injury” or “property damage” covered under this policy.
2. Premiums on appeal bonds and bonds to release attachments in any suit we defend, but only up to the limit of liability indicated in the Declarations.

We have no duty to furnish or apply for any bonds. The amount of any bond we pay for shall not be more than our limit of liability.

- B. Interest accruing after a judgment, but only on that part of the judgment that does not exceed our limit of liability for this coverage as set forth in the Declarations. Our obligation to pay interest accruing after a judgment shall terminate when we pay, offer to pay or deposit in court that part of the judgment that does not exceed our limit of liability for this coverage as reflected in the Declarations. Such interest shall only be payable hereunder if we defended the action that resulted in the judgment. Such interest shall not be payable if we did not defend the action, even if a court later finds that you were entitled to a defense under this Part.
- C. Interest accruing before a judgment awarded against the “insured”, but only on that part of the judgment that does not exceed our limit of liability for this coverage as set forth in the Declarations. Our obligation to pay interest accruing before a judgment shall terminate when we pay, offer to pay or deposit in court that part of the judgment that does not exceed our limit of liability for this coverage as reflected in the Declarations.

- D. Up to \$50 a day, to you, for your loss of earnings, but not other income, because of attendance at hearings or trials at our request.
- E. Other reasonable expenses incurred at our request.

EXCLUSIONS

A. We do not provide Liability Coverage for any person:

- 1. Who intentionally causes “bodily injury” or “property damage”.
- 2. For “property damage” to property owned or being transported by that person.
- 3. For “property damage” to property:
 - a) rented to;
 - b) used by; or
 - c) in the care of;that person

This exclusion (A.3.) does not apply to “property damage” to a residence or private garage rented to an insured.

- 4. For “bodily injury” to you or any “family member” or any “relative”, except to the extent mandated by the financial responsibility laws of the state in which this policy is issued.
- 5. For “bodily injury” to a member of that person’s family, except to the extent mandated by the financial responsibility laws of the state in which this policy is issued.
- 6. For “bodily injury” to any employee of an insured during the course of or arising out of his or her employment. This exclusion (A.6.) does not apply to “bodily injury” to a domestic employee unless workers’ compensation benefits are required or available for that domestic employee.
- 7. For “bodily injury” to a fellow employee of an insured while that insured is engaged in any “business”.
- 8. For that person’s liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This exclusion (A.8.) does not apply to a share-the-expense car pool.
- 9. While employed or otherwise engaged in the “business” of:
 - a) selling;
 - b) repairing;
 - c) servicing;
 - d) storing; or
 - e) parking

vehicles designed for use mainly on public highways. This includes road testing and delivery.

- 10. Maintaining or using any vehicle while that person is employed or otherwise engaged in any “business” (other than farming or ranching) not described in Exclusion A.9.
- 11. Using a vehicle without the owner’s consent or outside the scope of that consent.
- 12. For “bodily injury” or “property damage” for which that 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:
 - (1) expiration;
 - (2) termination for any reason; or
 - (3) termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by, but not limited to, any of the following or their successors:

- (1) American Nuclear Insurers;
- (2) Nuclear Energy Liability Insurance Association;
- (3) Mutual Atomic Energy Liability Underwriters; or
- (4) Nuclear Insurance Association of Canada.

- 13. For punitive damages, exemplary damages or damages for aggravating circumstances. Punitive and exemplary damages and damages for aggravating circumstances are the type of damages that may be imposed to:
 - a) punish wrongdoers; and
 - b) deter others from similar conduct.
- 14. For any loss arising directly or indirectly out of instances, occurrences or allegation of criminal activity by you or a “family member”, a “relative” or any insured.

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

- 1. Any motorized vehicle having fewer than four wheels.
- 2. Any farm implement equipment, including, but not limited to tractors.
- 3. Any motorized vehicle with more than 6 wheels or in excess of 1 ton Gross Vehicle Weight.
- 4. Any vehicle, other than “your covered auto”, which is:

- a) owned by you; or
 - b) furnished or available for your regular use.
5. Any vehicle, other than “your covered auto”, which is:
- a) owned by any “family member” or “relative”; or
 - b) furnished or available for the regular use of any “family member” or “relative”.
- However, this exclusion (B.5.) does not apply to you while you are maintaining or “occupying”, as the driver, any vehicle which is:
- a) owned by a “family member” or “relative”; or
 - b) furnished or available for the regular use of a “family member” or “relative”.
6. Any vehicle which is:
- a) Owned by, registered to, leased or rented to an employer of you or any “family member” or any “relative”; or
 - b) Rented while it is used in connection with the insured’s employment or “business”; or
 - c) Which has been operated or rented by or in the possession of you, a “family member” or a “relative” during any part of each of the last 21 or more consecutive days.
- C. We do not provide Liability Coverage for any occupant of a vehicle, who is not the driver of that vehicle. This exclusion does not apply to you when you are a passenger in “your covered auto.”

LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for each person for Bodily Injury Liability is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of “bodily injury” sustained by any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Bodily Injury Liability is our maximum limit of liability for all damages for “bodily injury” resulting from any one auto accident. The limit of liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all damages resulting from “property damage” resulting from any one auto accident. This is the most we will pay regardless of the number of:
- 1. “Insureds”;
 - 2. Claims made;
 - 3. Vehicles or premiums shown in the Declarations; or
 - 4. Vehicles involved in the auto accident.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and any other coverage that may be provided under this policy, including, but not limited to, Uninsured Motorists Coverage, Underinsured Motorists Coverage, Medical Payments Coverage or Personal Injury Protection Benefits.

OUT OF STATE COVERAGE

If an “insured” under this Part A Liability Coverage is in another state and, as a non-resident, becomes subject to that state’s motor vehicle compulsory insurance, financial responsibility or similar law:

- A. The policy will be interpreted to give the coverage required by the law for a non-resident; and
- B. The coverage so given replaces any coverage in this policy to the extent required by the law for the “insured’s” maintenance or use of a vehicle covered under this policy.

Any coverage so extended shall be reduced to the extent other coverage applies to the accident. In no event shall a person collect more than once for the same elements of loss.

FINANCIAL RESPONSIBILITY

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

You must repay us for any payment we would not have had to make under the terms of this policy except for this agreement.

OTHER INSURANCE

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

- A. Any insurance we provide with respect to any “insured” other than you or a “family member” who does not own an auto shall be excess over any collectible insurance providing such coverage on a primary basis.
- B. Any insurance we provide with respect to a vehicle you do not own shall be excess over any collectible insurance providing such coverage on a primary basis.

If the coverage under this policy is provided:

- A. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.
- B. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

However, if a duly licensed automobile dealer provides a vehicle to you or a “family member”:

- A. For use as a temporary substitute while “your covered auto” is out of normal use because of its breakdown, repair or servicing; or
 - B. To demonstrate the vehicle;
- then we will provide primary insurance.

PART B – MEDICAL PAYMENTS COVERAGE

You only have those portions of this coverage that are listed in the Declarations with a premium charge and then only to the extent of the coverages and limits of liability listed therein.

INSURING AGREEMENT

- A. We will pay reasonable expenses incurred for necessary medical and funeral services because of “bodily injury” caused by accident and sustained by an “insured”.

These incurred expenses must be:

- 1. for:
 - a) services performed; or
 - b) medical supplies, medication or drugs prescribed;by a medical provider licensed by the state to provide the specific medical services; and
- 2. for funeral services.

Reasonable medical expenses do not include expenses:

- 1. For treatment, services, products or procedures that are:
 - a) Experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - b) Not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of the “bodily injury” or
- 2. Incurred for:
 - a) The use of thermography or other related procedures of a similar nature;
 - b) The use of Acupuncture or other related procedures of a similar nature; or
 - c) The purchase or rental of equipment not primarily designed to serve a medical purpose.

We have the right to make or obtain a utilization review of the medical expenses and services to determine if they are reasonable and necessary for the “bodily injury” sustained.

We will pay only those expenses incurred within 3 year from the date of the accident. The “bodily injury” must be discovered and treated within 1 year of the date of the accident.

If a duly licensed automobile dealer provides a vehicle to you or a “family member” for use as a temporary substitute for any other vehicle described in the definition of “your covered auto” while it is out of normal use because of its breakdown, repair or servicing, coverage shall extend to such loaned vehicle only to the extent of the coverage provided, if any, to the automobile being repaired or serviced.

- B. “Insured” as used in this Part means:

- 1. You or any “family member” who does not own an auto:
 - a) while “occupying”; or
 - b) as a pedestrian when struck by;a motor vehicle designed for use mainly on public roads or a “trailer” of any type.
- 2. Any other person while “occupying” “your covered auto”.

EXCLUSIONS

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

- A. Sustained while “occupying” any motorized vehicle having fewer than four wheels.
- B. Sustained while “occupying” “your covered auto” when it is being used as public or livery conveyance. This exclusion (B.) does not apply to a share-the-expense car pool.
- C. Sustained while “occupying” any vehicle located for use as a residence or premises.
- D. Sustained while “occupying” any motor vehicle or “trailer” designed mainly for use off public roads.
- E. Sustained through being struck by any motor vehicle or “trailer” designed mainly for use off public roads while off public roads.
- F. Occurring during the course of employment if workers’ compensation benefits are required or available for the “bodily injury”.
- G. Sustained while “occupying”, or when struck by, any vehicle (other than “your covered auto”) which is:
 - 1. owned by you; or

- 2. furnished or available for your regular use.
- H.** Sustained while “occupying”, or when struck by, any vehicle (other than “your covered auto”) which is:
 - 1. owned by any “family member” or “relative”; or
 - 2. furnished or available for the regular use of any “family member” or “relative”.
- I.** Sustained while “occupying”, or when struck by any vehicle which is:
 - 1. owned by any “resident” or
 - 2. furnished or available for the regular use of any “resident”.
 However, this exclusion (I.) does not apply to you.
- J.** Sustained while “occupying” a vehicle without the owner’s consent or outside the scope of that consent.
- K.** Sustained while “occupying” a vehicle when it is being used in the “business” of an “insured”.
- L.** Caused by or as a consequence of:
 - 1. discharge of a nuclear weapon (even if accidental);
 - 2. war (declared or undeclared);
 - 3. civil war;
 - 4. insurrection; or
 - 5. rebellion or revolution.
- M.** From or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - 1. nuclear reaction;
 - 2. radiation; or
 - 3. radioactive contamination.

LIMIT OF LIABILITY

- A.** The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:
 - 1. “Insureds”;
 - 2. Claims made;
 - 3. Vehicles or premiums shown in the Declarations; or
 - 4. Vehicles involved in the accident.
- B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and any other coverage that may be provided under this policy, including, but not limited to, Liability Coverage, Uninsured Motorists Coverage, Underinsured Motorists Coverage or Personal Injury Protection Benefits.
- C.** No payment shall be made unless the injured person or that person’s legal representative agrees that any payment shall be applied toward any settlement or judgment that person receives under any other coverage that may be provided under this policy, including, but not limited to, Liability Coverage, Uninsured Motorists Coverage, Underinsured Motorists Coverage, Personal Injury Protection Benefits.

OTHER INSURANCE

Any insurance we provide shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

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

PART C – UNINSURED MOTORISTS COVERAGE

You only have those portions of this coverage that are listed in the Declarations with a premium charge and then only to the extent of the coverages and limits of liability listed therein.

INSURING AGREEMENT

- A.** We will pay compensatory damages which an “insured” is legally entitled to recover from the owner or operator of an “uninsured motor vehicle” because of:
1. “Bodily injury” sustained by an “insured” and caused by an accident; and
 2. “Property damage” caused by an accident if the Declarations indicates that both Bodily Injury and Property Damage Uninsured Motorists Coverage applies.

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

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

If a duly licensed automobile dealer provides a vehicle to you or a “family member” for use as a temporary substitute for any other vehicle described in the definition of “your covered auto” while it is out of normal use because of its breakdown, repair of servicing, coverage shall extend to such loaned vehicle only to the extent of the coverage provided, if any, to the automobile being repaired or serviced.

- B.** “Insured” as used in this Part means:

1. You;
2. Any “family member” that does not own a car;
3. Any “family member” that owns a car, but only while “occupying” “your covered auto”; or
4. Any other person “occupying” “your covered auto”.

- C.** “Property damage” as used in this Part means injury to or destruction of “your covered auto”.

- D.** “Uninsured motor vehicle” means a land motor vehicle or “trailer” of any type:

1. To which no liability bond or policy applies at the time of the accident, by or through any person or organization, including, but not limited to, any owner, operator, or occupant.
2. To which a liability bond or policy does apply at the time of the accident, but the amount of such bond or policy is less than the minimum limit for liability specified by the financial responsibility laws of the state in which this policy is delivered.
3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits, and makes physical contact with:
 - a) You or any “family member”;
 - b) A vehicle which you or any “family member” are “occupying”; or
 - c) “Your covered auto”.
4. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - a) Denies coverage; or
 - b) Is or becomes insolvent within one year after an accident.

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

1. Owned by or furnished or available for the regular use of you or any “family member”, any “relative” or any “resident”.
2. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
3. Operated on rails or crawler treads.
4. Designed mainly for use off public roads while not on public roads.
5. While located for use as a residence or premises.
6. That is an “underinsured motor vehicle” as defined under Part D Underinsured Motorists Coverage.

EXCLUSIONS

All exclusions set forth below apply to Uninsured Motorists Coverage for “property damage” and “bodily injury” unless specifically limited by the language of such exclusion.

- A. We do not provide Uninsured Motorists Coverage for “property damage” or “bodily injury” sustained by any person or “insured” while “occupying” or when struck by any motor vehicle owned by you, any “family member”, any “relative” or any “resident” which is not insured for this coverage under this policy. This includes a “trailer” of any type used with that vehicle.
- B. We do not provide Uninsured Motorists Coverage for any person that settles, without our written consent, any claim against an owner or operator of an “uninsured motor vehicle”.
- C. We do not provide Uninsured Motorists Coverage for “property damage” or “bodily injury” sustained by any “insured”:
 - 1. If that “insured” or the legal representative settles the “bodily injury” or “property damage” claim without our written consent.
 - 2. When “your covered auto” is being used as a public or livery conveyance. This Exclusion (C.2.) does not apply to a share-the-expense car pool.
 - 3. Using a vehicle without the owner’s consent or outside the scope of that consent.
 - 4. For the first \$200 of the amount of “property damage” to “your covered auto”. This Exclusion (C.4.) does not apply if:
 - a) We insure “your covered auto” for both Collision and Property Damage Uninsured Motorists Coverage; and
 - b) The operator of the “uninsured motor vehicle” is positively identified and is solely at fault.
- D. This coverage shall not apply directly or indirectly to benefit:
 - 1. Any insurer or self-insurer under any of the following or similar law:
 - a) Workers’ compensation law; or
 - b) Disability benefits law.
 - 2. Any insurer of property.
- E. No payment will be made for loss paid or payable to the “insured” under Part F Coverage for Damage to Your Auto of the policy.
- F. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages or damages for aggravating circumstances which are the type of damages imposed to:
 - 1. Punish a wrongdoer; and
 - 2. Deter others from similar conduct.
- G. We do not provide Uninsured Motorists Coverage because of “bodily injury” to you or any “family member” or any “relative” when the owner or operator of the “uninsured motor vehicle” is you, any “family member” or any “relative”.
- H. We do not provide Uninsured Motorists Coverage because of “property damage” when the owner or operator of the “uninsured motor vehicle” is you, any “family member” or any “relative”.
- I. We do not provide Uninsured Motorists Coverage because of “bodily injury” to any person when the owner or operator of the “uninsured motor vehicle” is related to or a member of that person’s family.
- J. We do not provide Uninsured Motorists Coverage for any loss arising directly or indirectly out of instances, occurrences or allegations of criminal activity by you, a “family member”, a “relative” or any insured.
- K. We do not provide Uninsured Motorists Coverage with respect to any claim against any “occupant” of an “uninsured motor vehicle” who is not the driver of that vehicle.

LIMIT OF LIABILITY

- A. The limit of Bodily Injury Liability shown in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of “bodily injury” sustained by any one person in any one accident. Subject to this limit for each person, the limit of Bodily Injury Liability shown in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for “bodily injury” resulting from any one accident. The limit of Property Damage Liability if shown in the Declarations for each accident for Uninsured Motorists Coverage, is our maximum limit of liability for all “property damage” resulting from any one accident. This is the most we will pay regardless of the number of:
 - 1. “Insureds”;
 - 2. Claims made;
 - 3. Vehicles or premiums shown in the Declarations; or
 - 4. Vehicles involved in the accident.
- B. When a vehicle is an “uninsured motor vehicle” under Paragraph D.2. of the Insuring Agreement section of this Part, then the limits of liability described in Paragraph A of the Limit of Liability section of this Part shall be reduced by the amount of the bond or limits of liability, as the case may be, that are available.
- C. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and any other coverage that may be provided under this policy, including, but not limited to, Liability Coverage, Medical Payments Coverage, Underinsured Motorists Coverage, Personal Injury Protection Benefits or Coverage for Damage to Your Auto.

- D. We will not make duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations that may be legally responsible.
- E. We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:
 - 1. Workers' compensation law; or
 - 2. Disability benefits law.
- F. 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 any person or organization who may be legally responsible. This includes all sums paid under Part A Liability Coverage and Part B Medical Payments Coverage.

OTHER INSURANCE

- A. If there is other uninsured motorists insurance coverage available to you or a "family member" under one or more policies or provisions of coverage that is similar to the insurance provided by this Part:
 - 1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.
 - 2. Any insurance we provide with respect to any "insured" other than you or a "family member" who does not own an automobile shall be excess over any other insurance providing such coverage.
 - 3. Any insurance we provide shall be excess over any collectible insurance providing such coverage on a primary basis.
 - 4. If the coverage under this policy is provided:
 - a) On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.
 - b) On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

However, if a duly licensed automobile dealer provides a vehicle to you or a "family member":

- a) For use as a temporary substitute while "your covered auto" is out of normal use because of its breakdown, repair or servicing; or
 - b) To demonstrate the vehicle;
- then we will provide primary insurance.

ARBITRATION

We and the "insured" may mutually agree to arbitrate any matter in dispute concerning any claim made under this Part. Arbitration will take place only if both we and the "insured" agree, voluntarily, to have the matter arbitrated. An arbitration award will not be binding on either party.

PART D – UNDERINSURED MOTORISTS COVERAGE

You only have those portions of this coverage that are listed in the Declarations with a premium charge and then only to the extent of the coverages and limits of liability listed therein.

INSURING AGREEMENT

- A. We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "underinsured motor vehicle" because of "bodily injury":
 - 1. Sustained by an "insured"; and
 - 2. Caused by an accident.

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

We will pay under this coverage only if Subparagraph 1. or 2. below applies:

- 1. The limits of liability under any bodily injury liability bonds or policies applicable to the "underinsured motor vehicle" have been exhausted by payment of judgments or settlements; or
- 2. A tentative settlement has been made between an "insured" and the insurer of the "underinsured motor vehicle" and we:
 - a) Have been given prompt written notice by certified mail, return receipt requested of such tentative settlement; and
 - b) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

However, if the owner or operator of the "underinsured motor vehicle" is insured by us for liability coverage, this Subparagraph 2. shall not apply, and an "insured" may proceed with his or her claim for damages under this coverage anytime after settlement of that "insured's" claim for damages under the liability coverage applicable to the owner or operator of the "underinsured motor vehicle".

If a duly licensed automobile dealer provides a vehicle to you or a “family member” for use as a temporary substitute for any other vehicle described in the definition of “your covered auto” while it is out of normal use because of its breakdown, repair or servicing, coverage shall extend to such loaned vehicle only to the extent of the coverage provided, if any, to the automobile being repaired or serviced.

- B.** “Insured” as used in this Part means:
1. You;
 2. Any “family member” that does not own a car;
 3. Any “family member” that owns a car, but only while “occupying” “your covered auto”; or
 4. Any other person “occupying” “your covered auto”.
- C.** “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” is not enough to pay the full amount the “insured” is legally entitled to recover as damages.
- However, “underinsured motor vehicle” does not include any vehicle or equipment:
1. To which a bodily injury liability bond or policy applies at the time of the accident but its limit for bodily injury liability is less than the minimum limit for bodily injury liability specified by the financial responsibility law of the state where “your covered auto” is principally garaged.
 2. Owned by or furnished or available for the regular use of you or any “family member”, any “relative” or any “resident”.
 3. Owned by any governmental unit or agency.
 4. Operated on rails or crawler treads.
 5. Designed mainly for use off public roads while not upon public roads.
 6. While located for use as a residence or premises.
 7. Owned or operated by a person qualifying as a self-insurer under any applicable motor vehicle law.
 8. To which a bodily injury liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - a) Denies coverage; or
 - b) Is or becomes insolvent.
 9. That is an “uninsured motor vehicle” under Part C Uninsured Motorists Coverage.

EXCLUSIONS

- A.** We do not provide Underinsured Motorists Coverage for “bodily injury” sustained by an “insured” while “occupying” or when struck by any motor vehicle owned by you or any “family member” or any “relative” which is not insured for this coverage under this policy. This includes a “trailer” of any type used with that vehicle.
- B.** We do not provide Underinsured Motorists Coverage for “bodily injury” sustained by any “insured”:
1. While “occupying” “your covered auto” when it is being used as a public or livery conveyance. This Exclusion (**B.1.**) does not apply to a share-the-expense car pool.
 2. Using a vehicle without the owner’s consent or outside the scope of that consent.
- C.** This coverage shall not apply directly or indirectly to benefit any insurer of self-insurer under any of the following or similar law:
1. Workers’ compensation law; or
 2. Disability benefits law.
- D.** We do not provide Underinsured Motorists Coverage for punitive or exemplary damages or damages for aggravating circumstances, which are the type of damages that may be imposed to:
1. Punish a wrongdoer; and
 2. Deter others from similar conduct.
- E.** We do not provide Underinsured Motorists Coverage because of “bodily injury” to you or any “family member” or any “relative” when the owner or operator of the “underinsured motor vehicle” is you, any “family member” or any “relative”.
- F.** We do not provide Underinsured Motorists Coverage because of “bodily injury” to any person when the owner or operator of the “underinsured motor vehicle” is a related to or a member of that person’s family.
- G.** We do not provide Underinsured Motorists Coverage with respect to any claim against a passenger in an “underinsured motor vehicle”.
- H.** We do not provide Underinsured Motorists Coverage for any loss arising directly or indirectly out of instances, occurrences or allegations of criminal activity by you, a “family member”, a “relative” or any insured.

LIMIT OF LIABILITY

- A.** The limit of liability shown in the Declarations for each person for Underinsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of “bodily injury”

sustained by any one person in any one accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Underinsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.

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

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

OTHER INSURANCE

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

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

However, if a duly licensed automobile dealer provides a vehicle to you or a "family member":

1. For use as a temporary substitute while "your covered auto" is out of normal use because of its breakdown, repair or servicing; or
 2. To demonstrate the vehicle;
- then we will provide primary insurance.

ARBITRATION

- A.** If we and the "insured" do not agree:
1. Whether that "insured" is legally entitled to recover damages; or
 2. As to the amount of damages which are recoverable by that "insured";
- from the owner or operator of an "underinsured motor vehicle", then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.
- Arbitration will take place only if both we and the "insured" agree, voluntarily, to have the matter arbitrated. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.
- B.** Any decision of the arbitrators will not be binding on either party.
- C.** Each party will:
1. Pay the expenses it incurs; and
 2. Bear the expenses of the third arbitrator equally.
- D.** Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply.

PART E - PERSONAL INJURY PROTECTION COVERAGE

You only have those portions of this coverage that are listed in the Schedule or Declarations with a limit of liability and a premium charge and then only to the extent of the coverages listed in such Schedule or Declarations.

With respect to coverage provided by this Part, the provisions of the policy apply unless modified by this Part. Modifications made in this Part apply only to this Part and not any other Part, section or coverage provided by the policy.

DEFINITIONS

The Definitions section is amended for application to Personal Injury Protection as follows:

A. The following definitions are replaced:

1. With respect to medical payments, "your covered auto" means a "motor vehicle" shown in the Schedule or Declarations to which medical payments apply. This includes:
 - a) A "private passenger auto" not owned by the "named insured" while used as a temporary substitute for "your covered auto" which is out of normal use because of its:
 - (1) Breakdown;
 - (2) Repair;
 - (3) Servicing;
 - (4) Loss; or
 - (5) Destruction.
 - b) This includes a "trailer" designed for use with a "private passenger auto" provided such "trailer" is not being used for "business" purposes with another type vehicle.
2. With respect to work loss and accidental death, "your covered auto" means a "private passenger motor vehicle" shown in the Schedule or Declarations to which work loss applies. This includes:
 - a) A "private passenger auto" not owned by the "named insured" while used as a temporary substitute for "your covered auto" which is out of normal use because of its:
 - (1) Breakdown;
 - (2) Repair;
 - (3) Servicing;
 - (4) Loss; or
 - (5) Destruction
 - b) This includes a "trailer" designed for use with a "private passenger auto" provided such "trailer" is not being used for "business" purposes with another type vehicle.

B. The following definitions are added:

1. "Motor vehicle" means a land motor vehicle, "trailer" or semi trailer. However, "motor vehicle" does not include a:
 - a) farm tractor or other equipment, designed for use mainly off public roads, while not upon public roads;
 - b) vehicle operated upon rails or crawler treads; or
 - c) vehicle located for use as a residence or premises.
2. "Named insured" means the person named in the Declarations.
3. "Pedestrian" means any person who is not "occupying" any vehicle other than a:
 - a) motorcycle; or
 - b) vehicle operated by human or animal power.
4. "Private passenger auto" means a "motor vehicle" which is a:
 - a) Private passenger;
 - b) Station wagon; or
 - c) Jeep type; automobile.
5. "Private passenger motor vehicle" means a "motor vehicle" which is a:
 - a) "Private passenger auto";
 - b) Pickup or van not customarily used for:
 - (1) Occupational;
 - (2) Professional; or

(3) "Business";
purposes, other than farming or ranching; or

c) Motorcycle.

However, "private passenger motor vehicle" does not include a "motor vehicle" used as a public or livery conveyance for passengers.

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

1. The "named insured" or any "family member" who sustains "bodily injury" while:
 - a) "Occupying"; or
 - b) A "pedestrian" struck by;
a "motor vehicle".
2. Any other person who sustains "bodily injury":
 - a) While:
 - (1) "Occupying"; or
 - (2) A "pedestrian" struck by:
"your covered auto".
 - b) While "occupying" a "motor vehicle" other than "your covered auto" that is not owned by or furnished or available for the regular use of you, any "family member", any "relative" or any "resident". The "bodily injury" must result from the:
 - (1) Use of such "motor vehicle" by the "named insured";
 - (2) Operation of such "motor vehicle" by the "named insured's" private chauffeur or domestic servant on behalf of the "named insured"; or
 - (3) Use of such "motor vehicle" by any "family member" who does not own an automobile if the "motor vehicle" is a "private passenger auto" or "trailer".

However, this Paragraph C.2.b. does not apply to work loss or accidental death.

INSURING AGREEMENT

A. We will pay personal injury protection benefits to or for an "insured" who sustains "bodily injury". The "bodily injury" must:

1. Be caused by an accident; and
2. Arise out of the maintenance or use of a "motor vehicle" as a "motor vehicle".
3. We will only pay those benefits for which either the word included, or a specific premium, is shown in the Schedule or Declarations.

If a duly licensed automobile dealer provides a "motor vehicle" to the "named insured" or a "family member" for use as a temporary substitute for any other "your covered auto" while it is out of normal use because of its:

1. Breakdown;
2. Repair; or
3. Servicing;

personal injury protection benefits shall extend to such loaned "motor vehicle" only to the extent of the coverage provided, if any, to the "your covered auto" being repaired or serviced.

B. Subject to the limits shown in the Schedule or Declarations, personal injury protection benefits consist of the following:

1. Medical payments. All reasonable and necessary expenses incurred within 2 years from the date of the accident for:
 - a) Medical, hospital, x-ray, professional nursing, dental, surgical, ambulance, prosthetic and funeral expenses; and
 - b) Any non-medical remedial care and treatment rendered in accordance with a recognized religious method of healing.

Medical payments do not include expenses for hospital room charges in excess of those required for a semi-private room.

2. Work Loss.

- a) If an "insured" is an income earner, loss of income from work that "insured" would have performed had he or she not sustained "bodily injury".
- b) If an "insured" is a non-income earner, expenses reasonably incurred for essential services instead of those that the injured "insured" would have performed, without income and for the benefit of the injured insured or his or her family, had the injured insured not sustained "bodily injury".

Work loss applies only to the period beginning 8 days after the date of the accident and not exceeding 52 weeks after the accident. However, work loss does not include any loss or expense after the death of an "insured".

3. Accidental death. A death benefit paid if "bodily injury" resulting from the accident causes the death of an "insured" within 1 year from the date of the accident. The "bodily injury" must be the sole cause of death.

EXCLUSIONS

- A.** We will not provide Personal Injury Protection Coverage for “bodily injury”:
1. Sustained by any “insured” while:
 - a) Operating any auto without consent of the owner or outside the scope of that consent.; or
 - b) Not in lawful possession of “your covered auto”.
 2. Due to:
 - a) War (declared or undeclared);
 - b) Civil war;
 - c) Insurrection;
 - d) Rebellion or revolution; or
 - e) Any act or condition incident to any of the above.
 3. Resulting from the:
 - a) Radioactive;
 - b) Toxic;
 - c) Explosive; or
 - d) Other hazardous;
properties of nuclear material.
 4. Sustained by any “insured” involving a vehicle owned by or furnished or available for the regular use of:
 - a) you;
 - b) any “family member”,
 - c) any “relative” or
 - d) any “resident”;regardless of who is operating the vehicle.
- B.** We do not provide coverage for medical payments or work loss for “bodily injury” sustained by any “insured” to the extent that benefits are, in whole or in part, paid or payable under any of the following or similar law:
1. Workers’ compensation law; or
 2. Employers’ disability law.
- C.** We do not provide coverage for work loss or accidental death sustained by:
1. Any “insured” while “occupying” or struck by any “private passenger motor vehicle” other than “your covered auto” which is:
 - a) Owned by; or
 - b) Furnished or available for the regular use of;
the “named insured”.
 2. Any “insured” entitled to similar coverage under another policy which provides personal injury protection benefits equal to or greater than those required by the laws of the state in which this policy is issued.
- D.** We will not provide coverage for medical payments for “bodily Injury” sustained by:
1. Any “insured” while “occupying” any vehicle which is:
 - a) Owned by; or
 - b) Furnished or available for the regular use of;
that insured, the “named insured”, any “family member” any “relative”, or any “resident”.
 2. Any “insured” while “occupying” “your covered auto” when it is being used as a public or livery conveyance unless such use is stated in the Declarations.
 3. Any “insured”, other than the “named insured” while “occupying” any “motor vehicle” other than “your covered auto” when it is being used as a public or livery conveyance.
 4. Any “insured” other than the “named insured”:
 - a) While “occupying” any “motor vehicle”, other than, “your covered auto”, while employed or other wise engaged in the “business” or occupation of:
 - (1) Selling;
 - (2) Repairing;
 - (3) Servicing;
 - (4) Storing; or
 - (5) Parking;“motor vehicles”.

b) Arising out of the maintenance or use of any “motor vehicle”, other than “your covered auto” or a motorcycle, by that “insured” while employed or otherwise engaged in any “business” or occupation not described in **6.a.** This exclusion (**6.b.**) does not apply to “bodily injury” resulting from the operation or occupancy of a”:

- (1) “Private passenger auto”; or
- (2) “Trailer” used with such “private passenger auto” or “your covered auto”;
by the “named insured” or his private chauffeur or domestic servant.

5. Any “insured” while “occupying” any “motor vehicle”, unless that “insured” has, or reasonably believes he has, the permission of the owner to use such “motor vehicle”.

E. We will not provide Personal Injury Protection Coverage when the “insured’s” conduct contributed to the injury he or she sustained in any of the following ways:

1. causing injury to himself or herself intentionally; or
2. causing injury while in the commission of a felony or while seeking to elude lawful apprehension or arrest by a law enforcement official.

PAYMENT OF BENEFITS

We may pay medical payments or work loss to an “insured” or any person or organization rendering the services. Such payment shall reduce the amount payable under this coverage for “bodily injury” sustained by that “insured”.

COORDINATION OF COVERAGE

Any coverage provided by this Part for medical payments will replace any coverage afforded under Part **B** Medical Payments Coverage of this policy with respect to “your covered auto” which is registered or principally garaged in Arkansas.

LIMIT OF LIABILITY

The limits of liability shown in the Schedule or Declarations for Personal Injury Protection Coverage are the most we will pay each “insured” injured in any one “motor vehicle” accident, regardless of the number of:

1. “Insureds”;
2. Policies or bonds applicable;
3. Claims made; or
4. “Your covered autos”.

OTHER INSURANCE

A. Any insurance we provide for medical payments:

1. With respect to “bodily injury” sustained by any “family member”, shall be excess over any other collectible insurance available to that “family member” as a named insured under another motor vehicle insurance policy providing direct benefits without regard to fault.
2. With respect to “bodily injury” sustained by an “insured”, other than the “named insured” or any “family member”, shall be excess over any other collectible similar insurance available to that “insured” as a named insured or “family member” under another motor vehicle insurance policy providing direct benefits without regard to fault.

B. Except as provided in **A.** above, if there is other similar collectible insurance, which provides coverage for medical payments, 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, if a duly licensed automobile dealer provides a “motor vehicle” to the “named insured” or a “family member”:

1. For use as a temporary substitute for any other “your covered auto” while it is out of normal use because of its:
 - a) Breakdown;
 - b) Repair; or
 - c) Servicing; or
2. To demonstrate the “motor vehicle”;
then we will provide primary insurance.

C. No one shall be entitled to recover duplicate payments for medical payments for the same element of loss.

D. Any insurance we provide for work loss or accidental death shall be excess over any other collectible insurance available to:

1. An “insured” other than the “named insured” or any “family member”, under another motor vehicle insurance policy. In this event, our maximum limit of liability will be the amount by which the applicable limit of liability shown in the Schedule or Declarations exceeds the applicable limits of liability of all other insurance.
2. The “named insured” or any “family member” under any other motor vehicle insurance policy. In this event:
 - a) The maximum recovery under all policies shall not exceed the highest limit of liability under any one policy.
 - b) 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, if a duly licensed automobile dealer provides a “motor vehicle “ to the “named insured” or a “family member”:

1. For use as a temporary substitute for any other “your covered auto” while it is out of normal use because of its:
 - a) Breakdown;
 - b) Repair; or
 - c) Servicing; or
2. To demonstrate the “motor vehicle”;
then we will provide primary insurance.

PART F – COVERAGE FOR DAMAGE TO YOUR AUTO

You only have those portions of this coverage that are listed in the Declarations
with a premium charge and deductible.

INSURING AGREEMENT

- A.** We will pay for direct and accidental loss to “your covered auto” or any “non-owned auto”, including their equipment, minus any applicable deductible shown in the Declarations. We will pay for loss to “your covered auto” caused by:
1. Other than “collision” only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
 2. “Collision” only if the Declarations indicate that Collision Coverage is provided for that auto.

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

If a duly licensed automobile dealer provides a vehicle to you or a “family member” for use as a temporary substitute for any other vehicle described in the definition of “your covered auto” while it is out of normal use because of its breakdown, repair or servicing, coverage shall extend to such loaned vehicle only to the extent of the coverage provided, if any, to the automobile being repaired or serviced.

- B.** “Collision” means the upset of “your covered auto” or a “non-owned auto” or their impact with another vehicle or object.
Loss caused by the following is considered other than “collision”:

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

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

- C.** “Non-owned auto” means:

1. Any private passenger auto, pickup, van or “trailer” not owned by or furnished or available for the regular use of you, any “family member”, or any “relative” while in the custody of or being operated by you or any “family member”; or
2. Any auto or “trailer” not owned by you, a “family member” or “relative” while used as a temporary substitute for “your covered auto” which is temporarily out of normal use because of its:
 - a) breakdown;
 - b) repair;
 - c) servicing;
 - d) loss; or
 - e) destruction.

However, “non-owned auto” does not include any vehicle provided by a duly licensed automobile dealer to you, a “family member” or a “relative” for use as a temporary substitute for “your covered auto” while it is out of normal use because of its breakdown, repair or servicing.

TRANSPORTATION EXPENSES

In addition we will pay, without application of a deductible, up to \$15 per day, to a maximum of \$450, for:

- A.** 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 Coverage is provided for that auto.
- B.** Loss of use expenses for which you become legally responsible in the event of the total theft of a “non-owned auto”. This applies only if the Declarations indicate that Other Than Collision Coverage is provided for any “your covered auto”.

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

- A.** Beginning 48 hours after the theft; and
- B.** Ending when “your covered auto” or the “non-owned auto” is returned to use or we pay for its loss.

EXCLUSIONS

We will not pay for:

1. Loss to “your covered auto” or any “non-owned auto” which occurs while it is being used as a public or livery conveyance. This exclusion (1.) does not apply to a share-the-expense car pool.
2. Damage due to and confined to:
 - a) wear and tear;
 - b) freezing;
 - c) mechanical or electrical breakdown or failure; or
 - d) road damage to tires.This exclusion (2.) does not apply if the damage results from the total theft of “your covered auto” or any “non-owned auto”.
3. Loss due to or as a consequence of:
 - a) radioactive contamination;
 - b) discharge of any nuclear weapon (even if accidental);
 - c) war (declared or undeclared);
 - d) civil war;
 - e) insurrection; or
 - f) rebellion or revolution.
4. Loss to:
 - a) any electronic equipment designed for the reproduction of sound, including but not limited to:
 - (1) radios and stereos;
 - (2) tape decks; or
 - (3) compact disc players or DVD players.
 - b) any other electronic equipment that receives or transmits audio, visual or data signals, including, but not limited to:
 - (1) citizens band radios;
 - (2) telephones;
 - (3) two-way mobile radios;
 - (4) scanning monitor receivers;
 - (5) televisions;
 - (6) television monitor receivers;
 - (7) any video recording devise including video cassette recorders;
 - (8) any audio recording devise including audio cassette recorders;
 - (9) personal computers of any type or size including hand held computing devices.
 - c) tapes, records, discs or other media used with equipment described in **a.** or **b.**; or
 - d) any other accessories used with equipment described in **a.** or **b.**This exclusion (4.) does not apply to:
 - a) equipment designed solely for the reproduction of sound and accessories used with such equipment if such equipment and accessories are permanently installed in “your covered auto” or any “non-owned auto”; or
 - b) any other electronic equipment that is:
 - (1) necessary for the normal operation of the auto or the monitoring of the auto’s operating system; or
 - (2) an integral part of the same unit housing any sound reproducing equipment described in **a.** and permanently installed in the opening of the dash or console of “your covered auto” or any “non-owned auto” normally used by the manufacturer for the installation of a radio.
5. Loss to “your covered auto” or any “non-owned auto” due to destruction or confiscation by governmental or civil authorities.
6. Loss to a camper body or “trailer” you own which is not shown in the Declarations. This exclusion (6.) does not apply to a camper body or “trailer” you:
 - a) acquire during the policy period; and
 - b) ask us to insure within 30 days after you become the owner.
7. Loss to any “non-owned auto” when used without the owner’s consent or outside the scope of that consent.
8. Loss to:
 - a) awnings or cabanas; or
 - b) equipment designed to create additional living facilities.
9. Loss to equipment designed or used for the detection or location of radar.

10. Loss to any custom furnishing or equipment in or upon any pickup or van. Custom furnishings or equipment include but are not limited to:
 - a) special carpeting and insulation, furniture or bars;
 - b) facilities for cooking and sleeping;
 - c) height-extending roofs;
 - d) custom murals, paintings or other decals or graphics; or
 - e) televisions or television receiving equipment.
11. Loss to any "non-owned auto" being maintained or used by any person while employed or otherwise engaged in the "business" of:
 - a) selling;
 - b) repairing;
 - c) servicing;
 - d) storing; or
 - e) parking;
 vehicles designed for use on public highways. This includes road testing and delivering.
12. Loss to any "non-owned auto" being maintained or used by any person while employed or otherwise engaged in any "business" not described in exclusion 11. This exclusion 12. does not apply to the maintenance or use by you of a "non-owned auto" which is a private passenger auto or "trailer".
13. Diminution in the "actual cash value" of "your covered auto" or any "non-owned auto" associated with any loss thereto and any resulting damages or repairs.
14. We will not pay for:
 - a) Loss to any caddy, case or container designed for use in carrying stereo tapes, cassettes, cartridges or disks.
 - b) Loss to any special antennas designed to be used with any radio, two way communications equipment, telephones or video equipment including televisions.
 - c) Loss to any T-bar roof, bubble-dome, bubble window, sunroof, moon roof or any customized roof treatment.
 - d) Loss to any custom paint work or custom tape type striping.
 - e) Loss to any equipment or accessories which change the use or appearance of the interior or exterior of the vehicle.
 - f) Loss to any non-factory installed chrome, reverse chrome, alloy or magnesium wheels, chrome engine accessories, racing slicks, other special tires, tachometer or pressure gauges.
 - g) Loss to any other "Special Equipment" as described in the policy or endorsements attached to the policy.
 - h) Loss to any equipment unless declared and an additional premium paid.

LIMIT OF LIABILITY

A. Our limit of liability for loss will be the lesser of the:

1. "Actual cash value" of the stolen or damaged property; or
2. Amount necessary to repair or replace the property.

However, the most we will pay for loss to any "non-owned auto" which is a "trailer" is \$500.

B. An adjustment for depreciation and physical condition will be made in determining "actual cash value" at the time of loss.

PAYMENT OF LOSS

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

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

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

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

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

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

NO BENEFIT TO BAILEE

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

OTHER SOURCES OF RECOVERY

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

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

However, if a duly licensed automobile dealer provides a vehicle to you or a “family member”:

1. For use as a temporary substitute for “your covered auto” while it is out of normal use because of its breakdown, repair or service; or
2. To demonstrate the vehicle;

then we will provide primary insurance.

APPRAISAL

If we and you do not agree on the amount of loss, an appraisal of the loss may be made. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. We do not waive any of our rights under this policy by agreeing to an appraisal. An appraisal decision will not be binding on either party.

USE OF NON-ORIGINAL MANUFACTURER PARTS

In the repair of your covered motor vehicle under this Part, we may require or specify the use of motor vehicle parts not made by the original manufacturer. These parts are required to be at least equal in terms of fit, quality, performance, and warranty to the original manufacturer parts they replace.

LOSS PAYABLE

Loss or damage under this policy shall be paid, as interest may appear, to you and the loss payee shown in the Declarations. We will give the same advance notice of cancellation to the loss payee as we give to the named insured shown in the Declarations; provided, however, failure to give such notice to the loss payee shall not affect the validity of the notice provided to you. If coverage for damage to "your covered auto" is provided because of our failure to give notice to the loss payee, then such coverage shall be limited to the loss payee's interest and shall not include any interest you may have in "your covered auto".

When we pay the loss payee, we shall, to the extent of payment, be subrogated to the loss payee's rights of recovery against any party, including, but not limited to, you.

LOSS PAYEE DEDUCTIBLE

The deductible amount applicable to losses adjusted with and payable to the loss payee for their interest shall be \$250 under Collision and \$250 under "Other Than Collision"; however, such deductible shall apply only when the insured vehicle is a total loss or when loss or damage causes it to be repossessed by or surrendered to the loss payee's interest. All other losses, shall be subject to the deductible amounts stated in the policy Declarations.

PART G – DUTIES AFTER AN ACCIDENT OR LOSS

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

- A.** We must be notified promptly in writing of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- B.** A person seeking any coverage must:
 - 1. Cooperate with us in the investigation, settlement and defense of any claim or suit.
 - 2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
 - 3. Submit, as often as we reasonably require:
 - a) to physical exams and mental exams by physicians we select. We will pay for these exams;
 - b) to examination under oath and sign the same.
 - 4. Authorize us to obtain:
 - a) medical reports; and
 - b) other pertinent records.
 - 5. Submit a written proof of loss under oath when required by us.
- C.** A person seeking Uninsured Motorists Coverage must also:
 - 1. Notify the police, within 24 hours, if a hit-and-run driver is involved;
 - 2. Notify us within 30 days if a hit-and-run driver is involved;
 - 3. Promptly send us copies of the legal papers if a suit is brought.
- D.** A person seeking Coverage for Damage to Your Auto must also:
 - 1. Take reasonable steps after loss to protect "your covered auto" or any "non-owned auto" and their equipment from further loss. We will pay reasonable expenses incurred to do this.
 - 2. Notify the police, within 24 hours, if "your covered auto" or any "non-owned auto" is stolen or vandalized.
 - 3. Permit us to inspect and appraise the damaged property before its repair or disposal.
- E.** A person seeking Underinsured Motorists Coverage must also promptly:
 - 1. Send us copies of the legal papers if a suit is brought; and
 - 2. Notify us in writing by certified mail, return receipt requested of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle" and allow us 30 days to advance payment to that "insured" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such "underinsured motor vehicle".

However, if the owner or operator of the "underinsured motor vehicle" is insured by us for liability coverage, this Paragraph E.2. shall not apply, and an "insured" may proceed with his or her claim for damages under this coverage

any time after settlement of that “insureds” claim for damages under the liability coverage applicable to the owner or operator of the “underinsured motor vehicle”.

Written notice of a tentative settlement must include:

1. Written documentation of monetary losses incurred, including copies of all medical bills;
2. Written authorization or a court order authorizing us to obtain medical reports from all employers and medical providers; and
3. Written confirmation from the insurer of the “underinsured motor vehicle” of the Liability Coverage limits of the owner or operator of the “underinsured motor vehicle”.

F. A person seeking Personal Injury Protection Coverage must also:

1. Give us written proof of claim, under oath if required. This proof of claim must include:
 - a) Complete details of the nature and extent of the injuries and treatment received and contemplated; and
 - b) Any other information, which may assist us in determining the amount due and payable.
2. At our request, furnish us with a sworn statement of earnings for the “insured” since the date of the accident and for a reasonable time before the accident.
3. Promptly send us copies of:
 - a) The summons and complaint; or
 - b) Other process;served in connection with any legal action taken, to recover damages for “bodily injury”, against a person or organization who is or may be legally liable.

PART H – GENERAL PROVISIONS

BANKRUPTCY

Bankruptcy or insolvency of the “insured” shall not relieve us of any obligations under this policy. In case execution of a judgment against the “insured” is returned unsatisfied solely because of the insolvency or bankruptcy of the “insured” in an action brought by an injured person or his or her personal representative, then an action may be maintained by the injured person or his or her personal representative against the insurer under the terms of the policy for the amount of the judgment in the action not exceeding the amount of the limits of liability set forth in the Declarations. Notwithstanding this provision, we reserve all rights we have under the laws of the state in which the judgment was entered to challenge the reasonableness of the judgment and its amount.

CHANGES

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

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

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

1. A subsequent edition of your policy; or
2. An Amendatory Endorsement

FRAUD, MISREPRESENTATIONS AND OMISSIONS

- A. We do not provide coverage for any “insured” who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy.
- B. We do not provide coverage for any “insured” if you made fraudulent statements or misrepresented or concealed anything material in the presentation of your application for insurance.
- C. If you have made fraudulent statements, material misrepresentations or omitted any material fact in your application for this policy and your state restricts our right to rescind all or any portion of this policy, then you shall repay us for any

payments or costs we incur associated with such payments that we would not have had to make if our right to rescind was not limited.

- D.** If you or any “insured” made or make any fraudulent statements or engage in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy and your state restricts our right to rescind all or any portion of this policy, then you shall repay us for any payments or costs we incur associated with such payments that we would not have had to make if our right to rescind was not limited.

In the event we are required to make any payment, our obligations are limited to those coverages or benefits the law restricts us from rescinding. Our obligations will not include any other coverage or benefit that the applicable law does not restrict us from rescinding.

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 Liability Coverage**, no legal action may be brought against us until the amount of that obligation has been finally determined by judgment after actual trial, and appeal, if any, or agreement between the “insured”, injured person and us.

No person or organization has any right under this policy to bring us into any action to determine the liability of an “insured”.

OUR RIGHT TO RECOVER PAYMENT

- A.** If we make a payment under this 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;
2. Do nothing after loss to prejudice them;
3. Hold in trust for us such rights of recovery;
4. Do whatever is necessary to secure these rights; and
5. Execute and deliver to us any instruments and papers as may be appropriate to secure that person’s and our rights.

However, our rights in this Paragraph **A.** do not apply under Coverage for Damage to Your Auto, against any person using “your covered auto” with your consent to do so, so long as that person does not go outside the scope of that consent.

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

1. that person shall hold in trust for us the proceeds of the recovery;
2. that person shall reimburse us to the extent of our payment;
3. with respect to payments made under Personal Injury Protection Coverage, we will also have a lien against the proceeds of the recovery. We may give notice of the lien to:
 - a) the person or organization causing “bodily injury”;
 - b) that person’s agent or insurer; or
 - c) a court having jurisdiction in the matter.

- C.** Our Right to Recover Payment under Paragraphs **A.** or **B.** above do not apply to any accidental death benefit paid under Personal Injury Protection Coverage.

- D.** Our Right to Recover Payment under Paragraph **A** does not apply with respect to Underinsured Motorists Coverage if we:

1. Have been given prompt written notice by certified mail, return receipt requested of a tentative settlement between an “insured” and the insurer of an “underinsured motor vehicle”; and
2. Fail to advance payment to the “insured” in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the “insured” in an amount equal to the tentative settlement within 30 days after receipt of notification:

1. That payment will be separate from any amount the “insured” is entitled to recover under the provisions of Underinsured Motorists Coverage; and
2. We also have a right to recover the advanced payment.

However, no notice of a tentative settlement is required if the “underinsured motor vehicle” is insured by us for liability coverage.

- E.** Our Right to Recover Payment under Paragraphs **A.** or **B.** shall apply only after the person has been fully compensated for damages.

POLICY PERIOD AND TERRITORY

- A.** This policy applies only to accidents and losses which occur:

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

- B.** The policy territory is:

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

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

TERMINATION

A. Cancellation. This policy may be cancelled 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 if cancellation is for nonpayment of premium; or
 - b) at least 20 days notice in all other cases.
3. Except as provided for herein we will cancel only for the reasons set forth below in Paragraphs **A.3.a)** to **A.3.i)**:
 - a) for non-payment of premium; or
 - b) if your drivers license or motor vehicle registration or that of:
 - (1) any driver who resides with you; or
 - (2) any driver who customarily uses "your covered auto";has been suspended or revoked. This must have occurred:
 - (1) during the policy period; or
 - (2) if the policy is a renewal, during its policy period or the one hundred eighty (180) days immediately preceding its effective date.

However, we may not cancel under this Paragraph **A.3.b)** solely because of the administrative suspension or revocation of the insured's driver's license due to the influence or use of alcohol or controlled substance as set forth in ARK. CODE ANN. Section 5-65-104; or

- c) fraud or misrepresentation of a material fact, the knowledge of which would have caused us to decline to issue the policy. However, we shall not rescind bodily injury or property damage liability coverage for fraud or misrepresentation with respect to any injury to a third party when suffered as a result of the insured's negligent operation of a motor vehicle. Such restriction on rescission shall not apply if the rescission occurs prior to any injury to a third party; or
- d) if any insured or any driver of the insured vehicle is convicted of homicide or assault arising out of the use of a motor vehicle; or
- e) if any insured or any driver of the insured vehicle is convicted of driving under the influence of alcohol or a controlled substance; or
- f) if any insured has three (3) separate convictions of speeding and or reckless driving, or any combination of two (2) during the policy period, including three (3) months prior to the policy; or
- g) any other reason permitted by the law of the state in which this policy was delivered.

The provisions of this Paragraph **A.3.** restricting the reasons for which we may cancel this policy shall not apply if the policy has been in effect less than sixty (60) days at the time notice of cancellation is mailed or delivered by us, unless it is a renewal policy.

B. 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 the policy. Notice will be mailed at least 30 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. 6 months or less, we will have the right not to renew or continue this policy every 6 months, beginning 6 months after its original effective date.
2. More than 6 months, but less than one year, we will have the right not to renew or continue this policy at the end of the policy period.
3. 1 year or longer, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

C. 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.

D. Acceptance Of Late Premium Payments. - We may accept late premium payments, but reserve the right to reject such payments. Your late payment, even if we elect to accept it, may result in a gap in coverage or the issuance of a replacement policy, or both. All coverage elections, rejections, driver exclusions and other policy terms, including the representations you made in the procurement of your policy shall apply to the reinstated, rewritten, renewal or replacement policy.

E. Other Termination Provisions.

1. All cancellation and non-renewal notices shall be sent by United States Postal Service first class mail, unless otherwise provided for under this policy or by the laws of the state where this policy was issued.
2. We may deliver any notice instead of mailing it.
3. Proof that any cancellation or nonrenewal notice was mailed shall be sufficient proof of notice.
4. Any notice of cancellation or nonrenewal shall be deemed delivered upon mailing by us to you.
5. The notice of cancellation or non-renewal period shall commence on the date we deposit such notice in the mail.
6. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. If we cancel, we will refund you the pro rata unearned premium. If you cancel, we will refund you 90% of the pro rata unearned premium.

However, we will refund you the full pro rata unearned premium if:

- a) You cancel this policy because:
 - (1) You have disposed of "your covered auto", and you insure another auto with us under a new policy, to become effective within 30 days of the effective date of cancellation of this policy; or
 - (2) "Your covered auto" has been repossessed under the terms of a financing agreement; or
 - (3) You are entering the armed forces of the United States of America; or
 - (4) "Your covered auto" was stolen or destroyed and you request cancellation:
 - (a) Within 30 days following the date "your covered auto" was stolen or destroyed; or
 - (b) Within 15 days of the time we determine "your covered auto" was destroyed or if stolen, to be unrecoverable.
- b) You cancel this policy but there remains in force with us a policy in your name insuring another auto.
- c) This policy is written for a term of greater than one year and you cancel the policy after it has been in effect for one year.

Making or offering to make the refund is not a condition of cancellation.

7. The effective date of cancellation stated in the notice shall become the end of the policy period.
8. Nothing in Paragraphs E.1. through E.7. above shall affect our right to rescind this policy or any coverages provided hereunder, except as may be restricted under the laws of the state where this policy was issued.

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A. Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
 1. The surviving spouse if a "resident" in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; and
 2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use "your covered auto".
- B. Coverage will only be provided until the end of the policy period.

TWO OR MORE AUTO POLICIES

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

DISHONORED CHECKS, PAYMENTS OR TRANSACTIONS

If your payment to start your initial or renewal policy is made by any method other than cash (hereinafter check or transaction) and the bank or other institution on which it is drawn does not honor it when we present it for payment, then we will exercise our right to declare your policy void from its inception. We reserve the right to also elect the remedy of canceling your policy for non-payment of premium. We may exercise such cancellation right as alternative to or in conjunction with our exercise of our right to void coverage. The exercise of such right to cancel your policy shall not constitute an agreement by us to make such an election or to provide notice of cancellation in the future.

If you make an installment payment with a check or other type of transaction and the bank or other institution on which it is drawn does not honor that check or transaction when we present it for payment, then we shall have the right to cancel your policy for non-payment of premium.

If we void your policy, you will have no coverage because it will be null and void. If we cancel your policy, then your coverage will cease at the date and time reflected in the notice of cancellation.

We may elect to give you an opportunity to correct any default in your obligation to pay premiums associated with dishonored checks or transactions. Any such opportunity will be provided at our sole discretion and will be delivered to you in writing. Failure to receive notice of such opportunity shall mean that we have elected not to extend it to you.

If we provide you notice of cancellation, then we will make all efforts to collect any dishonored check or transaction to cover any premiums that may be due for the coverage provided up to the cancellation date. These efforts to collect a dishonored check or transaction, even if successful, will not cause your coverage to extend beyond the cancellation date and time set forth in the notice of cancellation. The cancellation will remain in effect even if we ultimately collect or you replace the dishonored

check or transaction. We will refund to you any remaining balance due to you after all coverage up to the cancellation date has been paid.

We also reserve the right to pursue all efforts to collect the maximum amount of any fees that we are permitted by law to charge and collect because of your dishonored check(s) or transaction(s). Our efforts to collect these fees, even if successful, will not (i) cause your coverage to extend beyond the cancellation date and time set forth in the notice of cancellation, if we cancelled your policy or (ii) cause any coverage to be available at any time under your policy, if we voided your policy.

IMPORTANT POLICYHOLDER INFORMATION – ARKANSAS

AR700001 (02-2003)

Inquiries concerning your policy should first be directed to your insurance agent. If your agent is unable to address your inquiry, you should then contact our “policyholder / customer service” department. The name, address and telephone number of your agent, if one is involved, and the address and phone number of our “policyholder / customer service” department are shown on the policy Declarations and / or in the material accompanying the policy.

If you require additional information you may contact the Arkansas Insurance Department at either the following address or phone number:

*Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904
Telephone: 1-800-852-5494*