

PERSONAL AUTO POLICY

Program Manager:

TRADERS INSURANCE CONNECTION, INC.

8916 Troost, Kansas City, MO 64131

Policies Underwritten By:

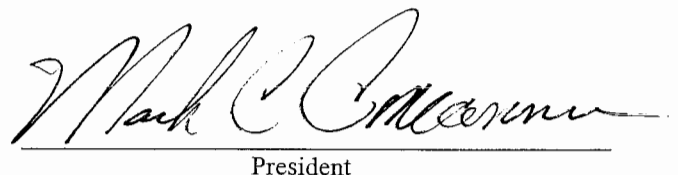
TRADERS INSURANCE COMPANY
HOME OFFICE, Kansas City, Missouri
(A Stock Company herein after called the Company)

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

AGREEMENT

If **you** pay **your** premium payments when they are due and subject to all the terms of this policy, **we** agree with **you** as follows:

IMPORTANT NOTICE!

You should read this policy very carefully and call **us** with any questions that **you** have about the terms contained in this policy.

Even if **you** are not at fault, **you** should call **us** at **1-800-383-1357** as soon as **you** can after any **accident you** have been in to report the loss. If **you** make a claim, **you** must keep **us** informed of **your** most current mailing address and telephone number so that **we** can communicate with **you** about the loss. **You** must notify **us** IMMEDIATELY!!! if **you** receive any papers from an attorney, claimant, or courthouse concerning any loss claimed while this policy is in force.

When **you** applied for insurance with **us**, **you** promised that the information on **your** application was true and correct. **You** also promised that **you** were not using **your** vehicle for various **business** uses. This policy was issued based upon **your** promises to **us**. This policy contains terms that allow **us** to void the policy and/or sue **you** to recover any money that **we** have to pay out based upon any misrepresentations or omissions that **you** may have made when applying for coverage with **us**.

DEFINITIONS

We have highlighted certain words in this policy in **bold italics** – such words should be read to have the following meanings:

Accident – means a sudden, unexpected, and unintended occurrence including, but not limited to, all related occurrences that are logically or causally connected by reason of any common fact, circumstance, situation, transaction, event or decision.

Actual Cash Value – means the fair market value of any tangible property immediately before its loss taking into consideration items such as (but not limited to) the age, mileage, options, pre-loss condition, cosmetic detriments, tire tread depth, un-repaired damage or maintenance items, along with the value of similar property in the marketplace.

Automobile Related Business – means a business or job where the purpose is to rent, sell, lease, park, repair, service, store, or transport motor vehicles or trailers of any type designed for use on land.

Bodily injury – means **bodily injury** to a human being's body and the sickness, disease or death that results from such injury.

Business related use – means any of the following:

1. Calling on accounts, customers or prospective customers in connection with any occupation or business; or
2. Hauling or carrying people, equipment, goods, or supplies used in connection with any occupation or business; or
3. Picking up or delivering any goods, materials, products or packages in connection with any occupation or business; or
4. Driving to more than one location per day in connection with any occupation or business.

Car – means a motor vehicle with four (4) wheels mainly designed for use on public roads. **Car** does not include:

1. Any vehicle used as a dwelling or other premises; or
2. Any vehicle having more than four (4) wheels or a gross vehicle weight of over ten thousand (10,000) pounds; or
3. Any vehicle having less than four (4) wheels or operating on tracks; or
4. All-terrain vehicles, dune buggies, go-carts, forklifts, front-loaders, golf carts, riding garden tractors, farm tractors, or any other farming equipment.

Compulsory Insurance Law – means a law requiring a minimal level of financial responsibility or insurance coverage in order to **own**, operate, or allow others to operate a **car** in the jurisdiction in which coverage under this policy is sought. This definition includes motor vehicle financial responsibility laws, compulsory insurance laws and all other laws with similar purposes.

Declarations – means the page where **we** list:

1. The types of coverage **you** have elected to buy;
2. The limit for each coverage;
3. The cost for each coverage;
4. The specific **cars** covered by this policy;
5. The types of coverage for each **car**;
6. The **named insured** under this policy; and
7. Other information applicable to this policy.

Delivery Related Business – means the ownership, maintenance, or use of any *car*, or *trailer*, or any other motor vehicle while being used to carry animals, *persons*, or property for compensation of any type, including (but not limited to) taxi services, or the delivery of food, magazines, newspapers, or any other product. This definition does not include shared-expense car pools.

Excluded driver – means any *person* selected by *you* or *your* representative as not having coverage when driving *your insured car* or any other car that might be covered under this policy.

Family member - means a *person* who lives in the same household as the first *person* listed as a *named insured* 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) is 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*.

Insured car – means:

1. Any *car* shown in the *Declarations* that is *owned* by *you*; or
2. Any other *car* on the date *you* become *owner* of that *car* and for a period of 30 days thereafter, but only if:
 - a. *You* acquire the *car* during the policy period shown in the *Declarations*; and
 - b. *You* ask *us* to insure the newly acquired *car* within thirty (30) days of the date that *you* acquire the *car*; and
 - c. *You* pay any additional premium due; and
 - d. *We* insure all *cars owned* by *you*; and
 - e. No other insurance company provides coverage for that *car*.

If all the conditions set forth in subparagraph 2 above are satisfied and the *car you* acquire is in addition to any *car* shown in the *Declarations*, it will have the broadest coverage *we* provide for any *car* shown in the *Declarations*. If the *car* that *you* acquire replaces one shown in the *Declarations* (a replacement *car*), it will have the same coverage as the *car* it replaces. The thirty (30) day notice period shall not have the effect of extending the policy term beyond its expiration or cancellation date. *You will have no coverage of any type during the thirty (30) day period after you acquire a car if you do not satisfy all the conditions listed above in subparagraph 2.*

If the replaced *car* did not have coverage under **COVERAGE C – DAMAGE TO YOUR CAR, COVERAGE D – RENTAL REIMBURSEMENT, COVERAGE E – TOWING AND LABOR**, then *you* may request that we add such coverages for the replacement *cars*. *Your* request will be subject to *our* underwriting rules in effect at the time *your* request is made. If *we* agree to extend such coverage, then such coverage will not become effective until *we* have inspected the *car* and *you* have paid all additional premiums due for the coverages.

Continuation of coverage beyond the 30-day period is subject to *our* agreement to do so. *Our* decision will be based in part on *our* underwriting rules in effect at the time you request that we continue coverage.

3. Any *trailer owned* by *you* while drawn by or attached to a *car* described in 1 or 2 directly above.
4. Any *car* or *trailer you* do not *own* while used as a temporary substitute for any *car* described in this definition that is out of its normal use because of its breakdown, repair, servicing, loss, or destruction. This paragraph does not apply to **COVERAGE C – DAMAGE TO YOUR AUTO**.

Named insured – means only the *person* specifically listed in the *Declarations* as the *named insured* - but does not include any other *person* (including but not limited to *persons* listed in the *Declarations* or in the application for coverage) that may be described as a driver, operator, resident, spouse, or *excluded driver*.

Occupying – means in, getting in or out of an *insured car* but only as long as there is physical contact with the *car*.

Own or Owned or Owns - means that a *person*:

1. Holds legal title to a *car*; or
2. Has legal possession of a *car* that is subject to the fulfillment of a sales agreement evidenced by some form of writing; or
3. Has legal possession of a *car* that is leased to that *person* under a written agreement for a continuous period of at least six (6) months.

Owner – means a *person* who:

1. Holds legal title to a *car*; or
2. Has legal possession of a *car* that is subject to the fulfillment of a sales agreement evidenced by some form of writing; or
3. Has legal possession of a *car* that is leased to that *person* under a written agreement for a continuous period of at least six (6) months.

Person – means a human being.

Property Damage – means physical damage to, the destruction of, or loss of use of tangible property.

Relative - means a **person** who is a **resident** of **your** household and is related by blood, marriage, or adoption to any **named insured**. **Relative** includes a ward or foster child of any **named insured**.

Resident – means a **person** who lives with **you**, whether or not that **person** is a member of **your** household, and includes (but is not limited to) **you**, and any **person** who is a **family member** or **relative**.

Secondary insured – means a **person** listed in the **Declarations** as a **secondary insured**.

Special Equipment – means any equipment that is not available from the manufacturer of the **car** described in the **Declarations** for that make, model and model year.

Trailer – means a vehicle (including farm wagons or implements) designed to be towed by a **car**.

We, Us and **Our** - means the company providing this insurance.

You and **Your** – mean the **named insured** listed in the **Declarations** and that **person's** spouse provided that the spouse lives in the same household as the **named insured**.

*** If any of the words defined above appear in this policy and are not highlighted they shall be read to have their common meanings as generally used in the English language.

WHAT YOU MUST DO UNDER THIS POLICY

We have no duty to provide coverage under this policy unless any **person** seeking coverage under this policy fully complies with the following duties:

- A.** Even if any **person** seeking coverage under this policy is not at fault for an **accident**, such **person** must call **us** as soon as possible after an **accident** to report the loss; and must provide **us** with the names and addresses of any witnesses to the **accident** and any **persons** known to have suffered **bodily injury** or **property damage** as a result of the **accident**.
- B.** A **person** seeking any coverage must:
1. Keep **us** informed of any changes to their address within three working days of changing their address; and
 2. Keep **us** informed of any changes to their telephone number within three (3) working days of making changes to their telephone number; and
 3. Cooperate with **us** in the investigation, settlement and defense of any claim or suit. Such cooperation includes but is not limited to:
 - a) Communicating with any attorney appointed to defend that **person**;
 - b) Attending, and getting witnesses to attend, depositions, hearings and trials;
 - c) Securing and giving evidence;
 - d) Completing documents required in litigation;
 - e) Making settlements; and
 4. Promptly send **us** copies of any notices or legal papers received in connection with the **accident** or loss; and
 5. Submit, as often as **we** reasonably require:
 - a) To physical exams and mental exams by physicians **we** select and **we** pay for;
 - b) To an examination under oath and sign the same; and
 6. Authorize **us** to obtain:
 - a) Medical reports; and
 - b) Other pertinent records; and
 7. Submit a written proof of loss under oath when required by **us**.
- C.** A **person** seeking **Coverage C-Damage To Your Car** must also:
1. Take reasonable steps after loss to protect **your insured car** and equipment or any non-owned **car** and equipment from further loss. **We** will pay reasonable expenses incurred to do this; and
 2. Notify the police, within twenty four (24) hours, if **your insured car** or any non-owned **car** is stolen or vandalized; and
 3. Permit **us** to inspect and appraise the damaged property before its repair or disposal.

STANDARD POLICY TERMS

BANKRUPTCY

Bankruptcy or insolvency of an insured *person* shall not relieve *us* of any obligations under this policy. In case execution of a judgment against an insured *person* is returned unsatisfied solely because of the insolvency or bankruptcy of an insured *person* in an action brought by an injured *person* or his/her personal representative, then an action may be maintained by the injured *person* or his or her personal representative against *us* 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 a written 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 car(s)*;
 - 2. Drivers using *insured car(s)*;
 - 3. The place of principal garaging of *insured car(s)*;
 - 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 and such adjustment shall be calculated as of the effective date of the endorsement.

- C. If *we* make a change that broadens coverage under this edition of *your* policy without additional premium charge, such 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 *person* 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 *person* if *you* (or anyone on *your* behalf) made fraudulent statements or misrepresented or concealed anything material in the presentation of *your* application for insurance.
- C. If *you* (or anyone on *your* behalf) made fraudulent statements, material misrepresentations or omitted any material fact in *your* application for this policy then *you* shall repay *us* for any payments or costs *we* incur as a result of providing coverage based upon such fraudulent statements, material misrepresentations, or omitted material fact. Costs include (but are not limited to) attorney fees, settlement payments, investigation fees and reports, postage, copying charges, deposition fees, mileage and fees for experts.
- D. If *you* or any *person* seeking coverage under this policy 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. Costs include (but are not limited to) attorney fees, settlement payments, investigation fees and reports, postage, copying charges, deposition fees, mileage, and fees for experts.
- E. If a *Compulsory Insurance Law* requires *us* to make payments that would otherwise be excluded from coverage under **COVERAGE A – LIABILITY** of this policy, then *you* shall repay *us* for any such payments or costs *we* incur associated with such payments that *we* would not have otherwise had to make.

In the event *we* are required to make any payment, *our* obligation shall be 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 **COVERAGE A - LIABILITY**, 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 a *person* seeking coverage under this policy, an 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 any *person* who might seek coverage under this policy.

OUR RIGHT TO RECOVER PAYMENT

- A. If *we* make a payment under this policy and the *person* to (or for) whom payment was made has a right to recover damages from another *we* shall be subrogated to that right. That *person* shall:
1. Do whatever is necessary to enable *us* to exercise *our* rights; and
 2. Do nothing after loss to prejudice *our* rights; and
 3. Hold in trust for *us* such rights of recovery; and
 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 C - Damage to Your Car**, against any *person* using *your insured car* 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; and
 2. That *person* shall reimburse *us* to the extent of *our* payment.
- C. *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 that 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; and
 2. Canada.

This policy also applies to loss to, or *accidents* involving, *your insured car* while being transported between U.S. and Canadian 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:
 - a) For non-payment of premium; or
 - b) If *your* driver's license or motor vehicle registration or that of:
 - (1) Any driver who resides with *you*; or
 - (2) Any driver who frequently uses *your insured car*;
Has been suspended or revoked. This must have occurred:
 - During the policy period; or
 - If the policy is a renewal, during its policy period or the one hundred eighty (180) days immediately preceding its effective date.
 - c) Fraud or misrepresentation of a material fact to *us* by *you* or by someone acting under *your* authority;
 - d) If any *named insured* or any driver of an *insured car* is convicted of any type of homicide or assault/battery arising out of the use of a motor vehicle; or
 - e) If any *named insured* or any driver of an *insured car* is convicted of driving under the influence of alcohol or a controlled substance; or
 - f) If any *named insured* or any driver of an *insured car* has (in the aggregate) three (3) separate motor vehicle related convictions or accidents 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. **Non-renewal.** If *we* decide not to renew or continue this policy, *we* will mail notice to the *named insured* at the address shown in the policy. Notice will be mailed at least thirty (30) days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Six (6) months or less, *we* will have the right not to renew or continue this policy every six (6) months, beginning six (6) months after its original effective date;
2. More than six (6) months, but less than one (1) year, *we* will have the right not to renew or continue this policy at the end of the policy period;
3. One (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 this policy and *you* or *your* representatives 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 an *insured car*, any similar insurance provided by this policy will terminate as to that *car* 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. Acceptance of a late payment, even if we do not enforce our right to impose a gap in coverage, shall not affect our rights to reject future payments or strictly enforce your obligation to make payments on or before their due date. No single waiver or series of waivers of our right to reject late payments or enforce a gap in coverage shall preclude any further or future exercise thereof.

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 non-renewal notice was mailed shall be sufficient proof of notice;
4. Any notice of cancellation or non-renewal 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* ninety percent (90%) of the pro rata unearned premium, which shall be subject to the minimum earned premium for the policy.

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

a) *You* cancel this policy because:

- (1) *You* have disposed of *your insured car* and *you* insure another *car* with *us* under a new policy, to become effective within thirty (30) days of the effective date of cancellation of this policy; or
- (2) *Your insured car* 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 insured car* was stolen or destroyed and *you* request cancellation:
 - (a) Within thirty (30) days following the date *your insured car* was stolen or destroyed; or
 - (b) Within fifteen (15) days of the time *we* determine *your insured car* 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 *car*.

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 coverage 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 *named insured's* surviving spouse if such spouse was a *resident* in the *named insured's* household at the time of death of the *named insured*. Coverage applies to the spouse as if a *named insured* shown in the *Declarations*; and
2. A legal representative of the deceased *named insured* 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 insured car*.

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 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 an 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 (including attorney fees) which, **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.

FINANCIAL RESPONSIBILITY DISCLAIMER

Either at **your** request or by requirement of state law, **we** may assist **you** in satisfying **your** obligations to provide proof of financial responsibility to a state by making certain electronic or paper filings with that state's appropriate regulatory authority. The notification process to a state regulatory authority of the issuance or termination of your insurance is subject to electronic and human error. The consequences that can result from this error and the ensuing result that the state's records do not reflect that **you** have satisfied **your** financial responsibility requirements can be severe and can include, but are not limited to: (i) the suspension of **your** license, (ii) the imposition of fines and penalties, and (iii) incarceration in a jail or other holding facility.

Depending on the nature of the filing we make, we have charged no fee or a nominal fee. Due to the no fee or nominal fee we charge to assist you in satisfying your financial responsibility requirements and the resulting serious consequences for failing to provide that assistance, we cannot assume any liability for such failure in excess of the fee charged, even if such failure is through our fault or the fault of any agent, employee or producer.

COVERAGE A – LIABILITY

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

INSURING AGREEMENT

We will pay damages for **bodily injury** or **property damage** that any **insured driver** becomes legally liable for because of a **car accident**. **We** will investigate, settle or defend (as **we** consider appropriate) any claim or suit asking for such 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.

A. **Insured driver** as used in, **COVERAGE A-LIABILITY**, means:

1. **You** for the ownership, maintenance or use of any **car** or **trailer**;
2. Any **family member** who does not **own** a **car** for the maintenance or use of any **car** or **trailer** with the consent of the **owner**, if such use is within the scope of that consent;

3. Any *person* using an *insured car* with *your* consent, if the use is within the scope of that consent. Any coverage that *we* provide to a *person* using an *insured car* with *your* consent shall be excess to any other insurance coverage available to the *person* using an *insured car* with *your* consent. Any *person* using an *insured car* without *your* consent or outside the scope of that consent shall only be afforded coverage under this policy if mandated by a *Compulsory Insurance Law* of the state in which any *accident* occurs and then only to the extent mandated by law with such coverage being excess to any other insurance coverage available to the *person* using an *insured car*.
4. A *secondary insured* for the ownership, maintenance, and use of an *insured car*. Coverage does not extend to a *secondary insured* for the ownership, maintenance, and use of any *car* or *trailer*, except for an *insured car*, unless the *secondary insured* also qualifies for coverage as *your family member*.

SUPPLEMENTARY PAYMENTS

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

- A. Premiums or costs of bonds:
 1. Up to Two hundred fifty dollars (\$250) for the cost of bail bonds required because of a *car accident* and related traffic law violations. The *car accident* must result in *bodily injury* or *property damage* covered under this policy;
 2. Required to appeal a court ruling for damages in any suit *we* defend but only if *we* have not paid *our* limit of liability that applies to the suit. In no case will *we* pay more than *our* limit of liability as shown in the *Declarations*;
 3. To secure the release of an *insured driver's* property attached under a court order. In no case will *we* pay more than *our* limit of liability shown in the *Declarations*.
- 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 section.
- C. Interest accruing before a judgment awarded against an *insured driver*, 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 Fifty dollars (\$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 – WHAT WE DO NOT COVER:

If an applicable *Compulsory Insurance Law* renders any exclusion under this policy to be unenforceable, *we* will provide only those types of coverage required by such law and only in the minimum amounts required. However, if any other insurance policy covers *our insured's* liability and provides the minimum limits required by the *Compulsory Insurance Law* the exclusion provisions of this policy shall be deemed to be fully enforceable. If a *Compulsory Insurance Law* requires *us* to make payment to third parties that would otherwise be excluded below, *we* expressly reserve the right to seek recovery for such payment from any *person* or *persons* responsible for the *accident* involved with the payment.

- A. *We* do not provide any coverage under Coverage A –Liability:
 1. For *bodily injury* or *property damage* purposefully or intentionally caused by that *insured driver*;
 2. For *property damage* to property owned or being transported by that *insured driver* or a *named insured*;
 3. For *property damage* to property rented to, used by, or in the care of that *insured driver* or a *named insured*. This does not apply to *property damage* to a residence or private garage rented to an *insured driver*;
 4. For *bodily injury* to *you*, 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 any other *person* who lives with that *insured driver* or is related to that *insured driver* by blood, marriage or adoption, including wards and foster children of the *insured driver* 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 or fellow employee of an *insured driver* during the course of or arising out of his or her employment or any other *business* activity. 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* or *property damage* resulting from the operation, maintenance, or use of a *car* in a *delivery related business*;
 8. For *bodily injury* or *property damage* resulting from the operation, maintenance, or use of a *car* in an *automobile related business*. This includes road testing and delivery;
 9. Unless *we* have so agreed and charged an additional premium for the *business related use* of a *car*;
 10. For *bodily injury* or *property damage* resulting from any use of a *car* without the *owner's* consent or outside the scope of that consent;

11. For ***bodily injury*** or ***property damage*** resulting from any pre-arranged or organized or any other type of racing, speed or demolition contests, stunting activity, or in practice or preparation for any such contest or activity;
12. 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 punish wrongdoers, and deter others from similar conduct;
13. For any loss arising directly or indirectly out of instances, occurrences or allegation of criminal activity by ***you*** or a ***relative*** or any ***insured driver***;
14. For any ***bodily injury*** or ***property damage*** caused after an ***insured driver*** fails to stop the ***car*** he/she is driving after being directed to stop by a law enforcement officer. This includes any situation in which an ***insured driver*** is fleeing from a law enforcement officer;
15. For any liability assumed by any ***insured driver*** under any contract or agreement;
16. For any obligation for which the United States of America is liable under the Federal Tort Claims Act;
17. For ***bodily injury*** or ***property damage*** for which that ***insured driver***:
 - 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.

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

1. Anything not defined as a ***car***;
2. Any ***car***, other than an ***insured car*** that is ***owned*** by ***you***, or is furnished or available for ***your*** regular use;
3. Any ***car***, other than an ***insured car*** that is (i) ***owned*** by any ***family member*** or ***relative*** (ii) or is available for the regular use of any ***family member*** or ***relative***;
4. Any ***car*** that:
 - a) Is ***owned*** by, registered to, leased or rented to an employer of ***you*** or any ***family member*** or ***relative***; or
 - b) Is rented while it is used in connection with an ***insured driver's*** employment or business; or
 - c) 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 twenty-one (21) or more consecutive days.

C. We do not provide Liability Coverage for any occupant of a ***car***, who is not the driver of that ***car***. This exclusion does not apply to ***you*** when ***you*** are a passenger in an ***insured car***.

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 arising out of ***bodily injury*** to one ***person*** in any ***car accident***, such damages include, but are not limited to - damages for past or future care or medical expenses, loss of past or future earnings, and general damages for past or future pain and suffering. ***Bodily injury*** to one ***person*** includes all injury and damages to others deriving out of and resulting from this ***bodily injury***, and all emotional distress sustained by other ***persons*** who do not sustain ***bodily injury*** such damages include, but are not limited to - costs for care or medical services, loss of companionship or services, loss of consortium, loss of support, claims for emotional distress, and wrongful death. 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 ***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 ***accident***. The limit of liability is the most ***we*** will pay regardless of the number of:

1. ***Persons*** who may be eligible for coverage;
2. Claims made;
3. ***Cars*** or premiums shown in the ***Declarations***; or
4. ***Cars*** 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, Uninsured Motorists Coverage, Underinsured Motorists Coverage, Medical Payments Coverage or Personal Injury Protection Benefits.

OUT OF STATE COVERAGE

If an ***insured driver*** under this 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 an *insured driver's* maintenance or use of an *insured car*.

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 AND FILINGS WITH THE STATE

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 driver* other than *you*, or a *family member* who does not *own* a *car* shall be excess over any collectible insurance otherwise available to the *insured driver*;
- B. Any insurance *we* provide with respect to a *car you* do not *own* shall be excess over any collectible insurance providing coverage to such *car*.

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;
- C. Nothing in this section shall be read to allow the stacking of any coverage included anywhere within this policy.

COVERAGE B – MEDICAL PAYMENTS

You only have those portions of this coverage that are listed in the *Declarations* with a premium charge and limit of coverage, and then only to the limits shown in the *Declarations*.

INSURING AGREEMENT

- A. *We* will pay reasonable expenses incurred for necessary medical and funeral services because of *bodily injury* caused by a *car accident* and sustained by a *person* insured under this section.

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 of America as appropriate for the treatment of the *bodily injury*; or
- 2. Incurred for:
 - a) The use of acupuncture or other related procedures of a similar nature; or
 - b) 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 three (3) years from the date of the *accident*. The *bodily injury* must be discovered and treated within one (1) year of the date of the *accident*.

- B. *Persons* insured under **COVERAGE B-MEDICAL PAYMENTS** are restricted to the following:
 - 1. *You* (or any *family member* who does not *own* a *car*) while that *person* is *occupying* a *car*; or as a pedestrian is struck by a motor vehicle of any type provided that the motor vehicle is designed primarily for use on public roads;
 - 2. Any other *person* while *occupying* an *insured car*.

EXCLUSIONS – WHAT WE DO NOT COVER:

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

- A. Sustained while *occupying* any motorized vehicle having fewer than four (4) wheels;

- B. Sustained while *occupying* an *insured car* when it is being used in a *delivery related business*;
- 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 *car* (other than an *insured car*) that is *owned* by *you*, or furnished and available for *your* regular use;
- H. Sustained while *occupying*, or when struck by, any *car* (other than an *insured car*) that is *owned* by any *family member* or *relative* or is furnished and available for the regular use of any *family member* or *relative*;
- I. Sustained while *occupying*, or when struck by any *car* that is *owned* by any *resident* or is furnished or available for the regular use of any *resident*. This exclusion (I.) does not apply to *you*;
- J. Sustained while *occupying* a *car* without the *owner's* consent or outside the scope of that consent;
- K. Sustained while *occupying* a *car* when it is being used for any *business related use*.
- 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. *Persons* who may be eligible for coverage;
 2. Claims made;
 3. *Cars* or premiums shown in the *Declarations*; or
 4. *Cars* 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.

Nothing in this section shall be read to allow stacking of any coverage available under this policy.

COVERAGE C – DAMAGE TO YOUR CAR

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 an *insured car* or any *non-owned car*, including its equipment, minus any applicable deductible shown in the *Declarations*. Loss as it is defined in this section means direct and accidental loss of or damage to an *insured car* and its equipment. Loss does not mean any difference in the market value of an *insured car* immediately before the loss and the market value of an *insured car* after repairs from the loss are completed. *We* will pay for loss to an *insured car* caused by:
 1. *Other than collision* only if the *Declarations* indicate that Other Than Collision Coverage is provided for that *car*;
 2. *Collision* only if the *Declarations* indicate that Collision Coverage is provided for that *car*;

If there is a loss to a *non-owned car*, we will provide the broadest coverage applicable to any *insured car* shown in the *Declarations*.

B. Collision means the upset of an *insured car* or a *non-owned car* 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 birds or animals; 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. As used in COVERAGE C – DAMAGE TO YOUR CAR, non-owned car means:

1. Any *car* 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 *car* or *trailer* not *owned* by you, a *family member* or *relative* while used as a temporary substitute for an *insured car* which is temporarily out of normal use because of its:
 - a) Breakdown;
 - b) Repair;
 - c) Servicing;
 - d) Loss; or
 - e) Destruction.

Non-owned car does not include (i) any *car* provided to you or a *family member* for demonstration purposes or (ii) any *car* provided by an *automobile related business* to you, a *family member* or a *relative* for use as a temporary substitute for an *insured car* 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 Fifteen dollars (\$15) per day, to a maximum of Four hundred fifty dollars (\$450), for:

- A.** Transportation expenses incurred by you in the event of the total theft of an *insured car*. This applies only if the *Declarations* indicate that Other Than Collision Coverage is provided for that *car*.
- B.** Loss of use expenses that you become legally liable for in the event of the total theft of a *non-owned car*. This applies only if the *Declarations* indicate that Other Than Collision Coverage is provided for any *non-owned car*.

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

- A.** Beginning forty eight (48) hours after the theft; and
- B.** Ending when your *insured car* or the *non-owned car* is returned to use or we pay for its loss.

EXCLUSIONS

We will not pay for:

1. Loss to your *insured car* or any *non-owned car* which occurs while it is being used in a *delivery related business*;
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 *insured car* or any *non-owned car*.

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 device including video cassette recorders;
 - (8) Any audio recording device 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 the opening originally designed for such equipment by the manufacturer of **your insured car** or any **non-owned car**; or
 - b) Any other electronic equipment that is:
 - (1) Necessary for the normal operation of the **car** or the monitoring of the **car'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 insured car** or any **non-owned car** normally used by the manufacturer for the installation of a radio.
5. Loss to **your insured car** or any **non-owned car** due to destruction or confiscation by governmental or civil authorities;
 6. Loss to a camper body or **trailer you own** that 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 thirty (30) days after **you** become the **owner**;
 7. Loss to any **non-owned car** 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 car** being maintained or used by any **person** in an **automobile related business**;
 12. Loss to any **non-owned car** 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 car** which is a private passenger auto or **trailer**;
 13. Diminution in the **actual cash value** of **your insured car** or any **non-owned car** associated with any loss thereto and any resulting damages or repairs;
 14. While being used for any **business related use**, except as approved by **us** and for extra premium paid.
 15. **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 that 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. The amount necessary to repair or replace the property does not include any difference in the market value of **your insured car** immediately prior to the loss and the market value of **your insured car** after repairs from the loss are completed; or
- 3. The decrease in value of the damage property caused by the loss.

However, the most **we** will pay for loss to any **non-owned car** that is a **trailer** is Five hundred dollars (\$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 for the damaged or stolen property but only if **you** are required to pay sales tax on a replacement vehicle. However, if the loss is a total loss to **your insured car** or any **non-owned car** and **we** elect either to pay for the loss in money or offer a comparable replacement vehicle, **our** payment for loss will include the following items actually incurred incident to transfer of evidence of ownership of a comparable replacement vehicle other than payment for any applicable deductible shown in the **Declarations**:

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

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 car** 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 car**;
- 2. Any other applicable physical damage insurance;
- 3. Any other source of recovery applicable to the loss.

APPRAISAL

An appraisal of the loss may be made if **you** and **we** do not agree on the amount of loss. However, an appraisal will be made only if both **you** and **we** 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 insured car** under this coverage, **we** may require or specify the use of 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 insured car** 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 car**.

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 Five-hundred dollars (\$500) under **Collision Coverage** and Five-hundred dollars (\$500) under **Other Than Collision Coverage**; however, such

deductible shall apply only when an *insured car* 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*.

COVERAGE D – RENTAL REIMBURSEMENT

You only have this coverage if it is listed in the *Declarations* with a premium charge and limit, and then only to the limits shown in the *Declarations*.

When there is a loss to one of *your insured cars* described in the *Declarations*, *we* will reimburse *you* for the expenses *you* incur to rent a substitute car, subject to the limits set forth in the *Declarations* and other limitations contained in this policy.

This coverage applies only if:

1. The claim for the damage to *your insured car* is a covered claim under Coverage C – Damage to Your Car and is not subject to any exclusion under this policy; and
2. The *insured car* is not drivable or does not comply with state safety requirements for more than 24 hours.

The following limitations and exclusions apply to this coverage:

1. This coverage does not apply when there is a theft of *your insured car*.
2. Reimbursement for your rental of a substitute car shall be limited to the number of days reasonably required to repair or replace *your insured car*.
3. The applicable limits are shown in the *Declarations*.
4. The exclusions that apply to Coverage C shall also apply to this coverage.
5. This coverage is only available for any *insured car* so long as *you* maintain **Other Than Collision** coverage and **Collision** Coverage on that *insured car*. If *you* delete either **Other Than Collision** coverage or **Collision** coverage, or both, then Rental Reimbursement coverage will no longer be available.

COVERAGE E – TOWING AND LABOR

You only have this coverage if it is listed in the *Declarations* with a premium charge and limit, and then only to the limits shown in the *Declarations*.

We will pay towing and labor costs incurred each time *your insured car* is disabled, up to the amount shown in the *Declarations* as applicable to that vehicle. We will only pay for labor performed at the place of disablement. This coverage applies only to *your insured car* for which a premium charge and amount of coverage are shown in the *Declarations* for Towing and Labor Coverage.

This coverage is only available for any *insured car* so long as *you* maintain **Other Than Collision** coverage and **Collision** Coverage on that *insured car*. If *you* delete either **Other Than Collision** coverage or **Collision** coverage, or both, then Towing and Labor coverage will no longer be available.

The exclusions that apply to Coverage C also apply to this coverage.